The Journal of Social, Political and Economic Studies

Spring 1988 *Vol. 13, No. 1*

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The Journal of Social, Political and Economic Studies is published quarterly by the Council for Social and Economic Studies, Suite C2 1133 13th St., N.W., Washington D.C. 20005, U.S.A. (Telephone: 202/789-0231). The subscription rate is $58 per annum for libraries and other corporate bodies. Reduced three year subscriptions are available as a cost of $165 for libraries and other corporate bodies (twelve issues). Special subscription rates are available to faculty members and other individuals at the reduced rate of $29 for one year or $82.50 for three years. Members of the academic community and other qualified individuals are invited to consult with the General Editor at the foregoing address concerning articles which they may wish to submit for possible publication. ISSN 0193-5941

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THE JOURNAL OF SOCIAL, POLITICAL AND ECONOMIC STUDIES

ROGER PEARSON
General Editor

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A SOLUTION TO THE NATO-INF PROBLEM

By Robert C. Richardson III

NATO is in disarray. The President flew to Brussels in early March to re-affirm U.S. commitments to the defense of Europe. It now appears as if the joyful, knee jerk, reaction of Europe's political leaders to the U.S.-Soviet INF agreement are giving way to second thoughts. This is hardly surprising but potentially dangerous to the future of the Alliance.

For the past 20 years or more NATO's ability to deter Soviet aggression against Europe has been based on a complex combination of theater and strategic forces coupled with U.S. political commitments and escalation probabilities. The Soviets have long had the capacity to defeat NATO in a local conventional fight. The outcome of a nuclear battle limited to Europe is less clear, though more due to lack of experience and the uncertainties of this type of warfare than to relative capabilities to wage it. But the clincher when it comes to deterring Soviet aggression against Europe, with or without nuclear weapons, has been the likelihood, if not near certainty, that such a war would escalate to a global nuclear conflict which neither side has so far been willing to risk.

The strategies and force postures established to deter aggression to date evolved after much debate and over a period of twenty to thirty years. One of the principle building blocks of the policies directly credited with deterring conventional aggression in Europe consists of NATO's medium range and short range missile systems. These allow NATO to strike key targets based in Eastern Europe in order to slow down, if not prevent, Soviet reinforcements from overwhelming NATO's relatively small defensive capabilities until these could be reinforced – largely from the U.S. Another major building block in this complex structure has been the U.S. commitment to use its strategic forces if necessary.

During the past ten years a combination of the Soviet strategic nuclear missile and submarine build up, improved accuracy in these forces, and a failure to build defenses against them, specifically SDI, has steadily eroded the credibility of the "U.S. commitment" building block of European security.

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More recently U.S. initiatives at Reykjavik and in the INF are about to eliminate the medium range missile building block.

In brief, Europe's security has been based on a Triad consisting of three legs: a) Conventional capabilities, plus b) Theater nuclear capabilities, plus c) a U.S. promise of help, if necessary from its global strategic nuclear capabilities. The whole package made up what is called Conventional Flexible Response.

Two of the above legs of Europe's security stool are crumbling, and the third, its conventional forces, is far too weak to carry the load. Furthermore, there is no will to pay the cost of building these to an adequate level. Little wonder that those Europeans who are more concerned with the security of their countries than with pleasing popular demands for arms reductions at any cost are now pressing their political leaders to slow this process down or to provide viable defense alternatives.

The net result of all this has been to generate second thoughts as to the impact of both INF and SDI both in Europe and in the U.S. Articles by experts on the implications of the INF are appearing like dandelions on a spring lawn. More and more voices are calling for a time out on arms reductions for reduction sake while we try to find new building blocks to replace those being cavallierly kicked out of the foundations of European security. There is also a growing view that START reductions should only be considered if and when missile defenses are in place to carry the First Strike deterrent and NATO credibility loads that the ICBMs now bear.

The Soviet strategic missile and submarine build up over the past decade had eroded the credibility of the last leg of this triad. Allied confidence in the U.S. "will" to use its strategic capabilities when faced with certain Soviet retaliation against which we have no defenses has been steadily declining. President Reagan's SDI proposal, designed to reverse this trend by providing defenses against missiles, whether launched in a First Strike, in retaliation for a strategic or tactical nuclear response to limited aggression in Europe, or by accident, is now in limbo. It is hostage to political warfare in the U.S. and to an unholy alliance between disarmers, aspirants to Nobel Peace Prizes who support disarmament at any cost, politicians catering to public aspirations for arms reductions, and Gorbachev.

The Momentum towards arms control agreements for arms control sake seems irreversible. The Soviets have western politicians on the run and no amount of logic and caution

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being voiced by their military strategists or responsible military advisors is likely to stop this dangerous trend.

I have a plan which might work. It is very simple, which is a requirement for success. It means a recognized need generated by the disarmament deals, specifically, the need to find a disarmament environment WITHOUT blocking the INF, START, and other such agreements now being sought by the advocates of arms control.

What NATO should now do to cope with the new environment that is emerging from the INF decisions is simply to return to the strategy that worked well from 1956 to 1966, specifically, that of Tactical Nuclear Response From the Outset!

Bear with me. There is a strong case to be made for this on both military and economic grounds. Obviously this solution will be opposed by the anti-nuclear community who would rather accept communism than do anything that might appear to increase the likelihood of the use of nuclear weapons in future wars. These are people of the same philosophical bent as those that forced Flexible Response upon NATO in the early 1960s in an effort to create a firebreak between Soviet agression in Europe and a resort to nuclear weapons by NATO.

On the other hand, those who are concerned primarily about the strength of the Alliance, and NATO's ability to deter limited aggression and maintain an effective forward defense should deterrence ever fail, will have a credible military posture and strategy easily achieved at an acceptable cost. In addition, NATO politicians would not have to face up to multi-billion dollar conventional force build-ups or costly and questionably effective schemes such as 'graduated deterrence' in order to provide their people a credible level of security in the post-INF environment.

The Military Rationale

A NATO commitment to respond to any major Soviet act of aggression in Europe with nuclear firepower from the onset would solve most of the key security and credibility problems that have faced the Alliance since the adoption of Flexible Response and that are now getting even more acute with the advent of the INF treaty. This was by far the best, if not the only credible, military strategy in 1956 when it was adopted

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by the NATO Council to offset Soviet superiority. Nothing has come about to change this from a military point of view.

The NATO studies that led to advocating a Tactical Nuclear Response from the Onset also showed that not only could massive conventional imbalances be offset by defensive nuclear firepower but that NATO defenders could hold forward positions and protect German soil regardless of relative nuclear and conventional capabilities.

A nuclear defense against forces seeking to move forward on land must inevitably lead to an initial stalemate at the front. This occurs very quickly and regardless of the numbers on either side. It remains in effect until a subsequent nuclear firepower dual (counter battery fire) eliminates the nuclear delivery capability of one side or the other.

The aggressor forces, being obviously obliged to concentrate and move in order to penetrate the defenses, are far more vulnerable to nuclear effects than are the defender's forces which can be, and usually are, dug in, dispersed, and sheltered. An attacker has to stop, dig in, and call for counter battery fire to eliminate the defender's nuclear firepower before he can proceed with the attack.

Pro's and Con's

NATO now has tactical nuclear firepower, including short range missiles and artillery, capable of implementing this strategy. Some modernization is already being discussed but no major new developments would be required to return to the 1956/66 strategy. Also, whether one liked it or not, it was in being and was effective as a deterrent for ten years. One can't therefore credibly assert that it won't work without saying that all the NATO leaders of that era were stupid.

A commitment to nuclear response from the onset precludes any possibility of the Soviets exploiting conventional superiority by definition. Under it any use of aggressive force automatically escalates to nuclear. Since the Allied forces would then be postured to fight only in a nuclear mode there could be no question of a successful Soviet conventional operation. And, it is a relatively cheap posture since relative strength is measured by the ability to deliver nuclear firepower and survive in a nuclear war environment instead of being measured in terms of numbers of men and tanks.

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On the down side, very few people really understood the principles involved in the NATO tactical nuclear strategy at the time it was adopted. Even less understand these today. Due to this it was derogatorily named a "trip wire" strategy, or equated with Massive Retaliation much as SDI was called Star Wars by its opponents and equated with 100% effective defenses. Opponents of the idea will obviously, again, call it by these names out of ignorance or bias.

We can also expect resistance from the military as is the case with SDI. In the 1950s quite a few senior military people objected strenuously to the adoption of the NATO nuclear strategy on several grounds. Principle among these were: a) The lack of past experience in tactical nuclear warfare, b) The dramatic changes in force posture required for minimum force survivability under this concept, c) The abandonment of cherished doctrines and forces levels that it's acceptance would require. For instance, the artillery would become the "queen of the battle," conventional "mass" would become obsolete, air bases are out in favor of VSTOL, missiles, and other dispersible systems. D Day forces already in being become decisive to the outcome. All these are hard changes to accept.

The Bottom Lines

The 1956/1966 NATO strategy was militarily sound and affordable. It promised a forward defense in Europe pending an outcome which would have to be decided by relative strategic nuclear capabilities. It was eventually rejected not by logic or changes in the threat or technology but by political aspirations to back off, at any cost, from dependence on nuclear weapons as well as commitments to use them in the event of an attack.

Abandoning the 1956 strategy was initially opposed by every NATO government. The new Flexible Reponse was literally shoved down the throat of America's allies by the McNamara regime. Today it is referred to as if it were the only solution to Europe's defense and engraved in stone on the mount.

The Flexible Response Compromise of the 1960s allowed the politicans and anti-nuclear people to back off from the certainty and immediacy of nuclear war in the event of Soviet aggression. It allowed the traditional military to have their cake and eat it too – e.g., keep conventional mass and add

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nuclear weapons. And, it bought the politicians TIME in which to potentially veto escalation, to renege on the U.S. commitment!

Flexible Response has never made much more military sense than Mutual Assured Destruction (MAD). Both are the product of political aspirations instead of being based on classic, traditional, historically proven, military principles of war. Both worked as a deterrent so long as the U.S. enjoyed strategic nuclear superiority. Neither strategies are credible as effective defenses if deterrence ever fails.

Neither MAD nor Flexible Response provided real protection for the Free World in wartime. MAD offers no defenses against nuclear annihilation, only revenge. Flexible Response obliges SACEUR to escalate in the worst possible situation – while under attack and in retreat. Being of necessity postured for the conventional phase he risks annihilation to a Soviet nuclear first strike. And, the extra billions it costs for the conventional phase buys nothing but time before having to go nuclear, unless one assumes that the Soviets would accept defeat rather than go nuclear themselves or force SACEUR to honor his commitment to do so.

Given this situation one can certainly argue that:

(a) Security considerations alone call for using all capabilities and types of weapons obtainable from the onset of any war. Anything less cannot but be at the expense of success by either side.

(b) Tactical nuclear warfare is risky and its outcome uncertain since there is little precedent and experience. It would logically, if not certainly, lead to escalation.

(c) An inevitable tactical nuclear response to any act of major aggression is, by definition, a deterrent to the exploitation of superior conventional forces. Faced with this a Soviet Commander would be stupid to surrender the atomic initiative if willing to go to atomic warfare at all.

(d) Flexible Response is a politico-military solution that is logically acceptable only if we are willing to deploy and pay for all the conventional and atomic forces and weaponry needed to make both modes credible as deterrents and defenses. This is now marginal and the INF will preclude it.

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(e) Given (d) above, the choice is to find credible replacements for the deterrent and defensive roles played by the missiles being de-activated under INF – e.g.: pay billions for a conventional build up AND modernize short range tactical nuclear systems – or find another strategy.

(f) A return to the strategy that worked in the past, and complies with the principle in (a) above, can re-establish a credible defense, the credibility to the U.S. commitment, and allow for arms reductions – both in missiles and conventional force levels. The only honest objection to it is that it ordains the use of atomic firepower should any war occur. This should encourage politicians to prevent wars from occurring!

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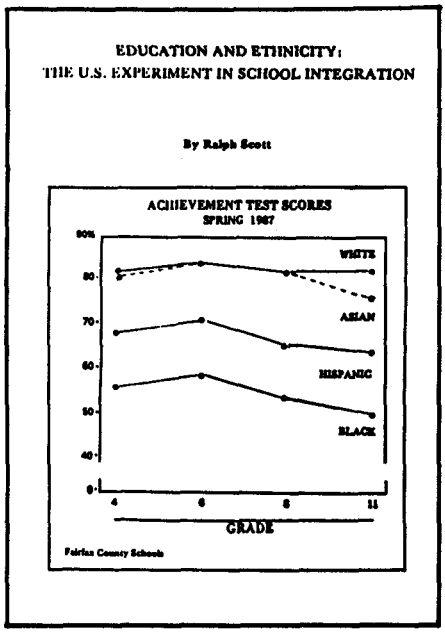
The Journal of Social, Political and Economic Studies
Monograph Number 17

EDUCATION AND ETHNICITY:
The U.S. Experiment in School Education

By Dr. Ralph Scott
Director, Educational Clinic, University of Northern Iowa



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Sex and Race Achievement Profiles.

Mandated School Busing and Student Learning.

Longitudinal Demographics on Black Achievement and Middle Class Flight.

"Push-Through" Educational Programs.

The education gap between ethnic minorities in America is marked, but by far the greatest gap is between blacks on the one hand and whites and orientals on the other. To reduce this gap it was assumed that blacks would learn better in classrooms with white and oriental students, and forced bussing was adopted as a nationwide court-imposed solution. Unfortunately legal and fiscal pressures to achieve 'racial balance' in the classrooms has not reduced the magnitude of the learning gap. Instead it has increased the wide achievement spread in classrooms and special programs, meaning that a minority student who has trouble reading a third grade textbook can be 'pushed through' to higher grades where he or she is sitting among classmates some of whom may be capable of college work. Situations such as these reduce the learning potential for all students in the group. Sensitive racial topics are considered in this book, which is amply supported by statistical data and a wealth of bibliographical references. How can American educators cope with the wide ethnic IQ gaps? The author examines the problem in detail and offers the only logical solution.

Subject Interest: Political and Social Sciences; Education; Educational Psychology; Minorities; Race Relations; Current Events.

ISBN 0-930690-21-4 *$15.00*

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'ONE COUNTRY; TWO SYSTEMS': BEIJING'S THREAT TO THE REPUBLIC OF CHINA

By Julian Weiss

The Republic of China on Taiwan is one of the most viable and economically successful nations anywhere and boasts the fastest economic growth rate (12%) in the world. A $73 billion GNP, and a 20% increase in per capita income (1986-87) attest to its resiliency, while income distribution has – under freedom – achieved maximum, egalitarian goals. After years of independence followed by control by both the Chinese and then the Japanese, the island province of Taiwan became the seat of the Nationalist Chinese government in 1949, heir to the Republic of China which had been founded in 1911 on the Chinese mainland itself.

The Communists, who thus gained control of the PRC (Peoples's Republic of China), have vowed continually, as one of their major foreign policy objectives to bring Taiwan under their absolute control, to "reunify" Taiwan with the mainland under Communist terms.

An appreciation of this continuing struggle – the PRC's desire to subjugate Taiwan and Taiwan's desire to remain free as the legitimate government of China – requires a discussion of developments within China during this century.

At the beginning of the twentieth century the nation was under the control of a declining Ching dynasty, the foreign Manchu rulers held sway for nearly 300 years (1644-1911), until faced with the shock of Western contacts the imperial government was divided on how to handle the situation. This division, and intrigue at the Chinese court, weakened the government of the Manchus by the 1890s and unrest broke out. The Dynasty was further weakened by Japanese invasion in a five-year conflict ending with defeat in 1895. Once Kuomintang forces – discredited through efforts of a biased Western media and sabotaged by unabashedly pro-Mao U.S. diplomats – were routed from their geographic power base.

In the fateful year of 1911, a revolution, based on Western models and republican principles, overthrew the imperial system which had ruled China for thousands of years. This revolt shook Chinese society to its very core. Unity was not to come easily. Warlords seized control of various geographic regions and

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China regained political unity again only in the 1920s under the leadership of Dr. Sun Yat-sen and his successor, Chiang Kai-shek.

The twentieth century saw China enmeshed in world war, with its neighbor Japan, launching a brutal, 14-year war of aggression when she attacked Manchuria in 1931, and then invaded the Chinese mainland in 1937. Meanwhile, the Chinese Communist Party was established in Shanghai in 1921, drawing inspiration and guidance from the success of the Marxist revolution in Russia under Lenin. Backed actively by the Soviet Union, the fledgling Chinese Communist Party at first gained influence within the powerful political party of the Kuomintang, while this was still under the leadership of Dr. Sun Yat-sen. But after Dr. Sun's death in 1924, Chiang Kai-shek assumed leadership of the Chinese Republic. The Communists within government, objecting to the idea of a steady evolution towards democracy, strived for a revolutionary takeover of the Chinese government, similar to the one which occurred in the Soviet Union.

The split between the Communists and the Nationalists, who favored Western-style democracy, appeared in the late 1920s, as Chiang Kai-shek sought to protect the fledgling Chinese Republic from internal subversion. He purged the Communists from the Kuomintang. The Communist leaders fled, leading their supporters on the famous Long March, and were pursued by the Chinese Nationalist forces. The failure of the latter's attempt to eliminate the Communist threat led to a lengthy civil war. The strength of the Nationalists or Kuomintang was sapped by the Japanese onslaught during the 1930s and 1940s. Fighting between the rival factions after 1945 culminated in the triumph of the Communists in 1949.

Had Chiang Kai-shek been able to concentrate on the Communist threat exclusively, China might have been saved from Marxist domination. Even as the Communists retreated into the interior of China on their Long March, Chiang Kai-shek's government faced the task of resisting the Japanese invasion and of unceasing bombardments which took a heavy toll on life and property. The government of Chiang had to provide food, stability and protection to the population under the stress of two wars, fought on two fronts simultaneously. The defeat of Japan in 1945 by the Allied Forces, and Japan's subsequent

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surrender in August of that year, ended the external threat and freed vast territories from Japanese occupation, but the government of Chiang Kai-shek was now faced with the additional task of restoring the governmental mechanism over large areas where governmental socio-economic stability had been destroyed by Axis occupation forces.

The Communists skillfully took advantage of this situation. Faced with problems in government, wartime destruction, hostile political factions, and a raging inflation, the government of Chiang Kai-shek was on the defensive. The Chinese Communists received equipment and supplies from the Soviet Union; and soon they were on the march, acquiring more and more territory, spreading dissatisfaction with the legitimate government everywhere, and generally preparing for the final coup.

While the Communists could rely upon support from the Soviet Union, the official government of the Republic of China now faced the problem of weakened support from its strongest ally, the United States. Pro-Mao diplomats, gullible scholars, and a cadre of biased reporters all contributed to the cause, endorsing unrepentently "the George Washington of China." They railed against the "corrupt" and "inefficient" Nationalists. It was a tactic which has since replaced various regimes with Communist governments, each far more repressive than the non-Communist governments which they supplanted. Washington attempted to convince Chiang Kai-shek that he should enter into a coalition government with the Communists. Chiang had gained firsthand knowledge of the Communist tactics, strategy, and goals from decades of dealing with them – and knew that a coalition government would doom all hopes of a democratic China. His experiences were duplicated by other formerly non-Communist governments.

The ensuing years of turmoil and conflict proved too much as the Communists continued their advance. Led by one of the original founders of the party in Shanghai in 1921, the Communists began their final push for victory. The Chinese Nationalist leaders were obliged to withdraw from the mainland. On October 1, 1949, Mao Zedong proclaimed the establishment of a new government based on Marxist-Leninist principles. The People's Republic of China was born.

Chiang Kai-shek and his forces sought a safe base from which to continue their battle and retreated to the island province of Taiwan, or Formosa. The rocky, corded island had been under

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the control of the Japanese for over five bitter decades, from 1894-1945. Taiwan was fortified, preventing an invasion from the victorious Communists. Later the United States sent its Seventh Fleet into the Taiwan Strait to discourage any attack by Mao's forces on Taiwan – as well as any counterattack by Chiang's forces. Chiang later offered to aid the Allies in repelling China's blatant aggression in Korea, and urged the U.S. for permission to invade and regroup on the mainland, but these proposals were rejected by the U.S.

Although it has declared the retaking of the mainland a major policy goal, the Chinese leadership on Taiwan nevertheless expected Communism would one day collapse on the mainland. Then, a legitimate preserver of Chinese civilization would then rule over the Chinese people. They desired a unification of China, but under a more democratic mode of government.

Mao Zedong declared that Taiwan should be unified with the mainland so that the Marxist government would rule over all of China. Since the late 1970s, the PRC has veered from outright threats of military invasion, to softer tones of a peaceful unification. Such an eventuality would result in the PRC taking over a sovereign government which has for decades been under the military protection of the United States of America and which, while largely isolated diplomatically, retains vibrant commercial ties to some 120 countries.

An understanding of how the PRC seeks to achieve this goal requires an examination of the history of the economic and political development of Taiwan, plus some inquiry as to how the PRC views unification as an objective of its foreign policy. The consequences of such an eventuality for the peace and security of the people of Taiwan, of Asia, and possibly the world, cannot be ignored in any serious discussion of this issue.

Taiwan: Background and Development

The island of Taiwan has experienced a unique and turbulent history. This island is almost 14,000 square miles and would correspond to the present day size of the European countries of Switzerland or the Netherlands or, in the United States, the combined areas of the states of Massachusetts, Connecticut, and Rhode Island. There are very few natural resources and since it is very mountainous, less than one third of the land is arable; irrigation and much chemical fertilizer are required to

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produce good crops.

As mentioned earlier, Taiwan fell under the control of the Japanese in the last decade of the nineteenth century. As part of the Japanese Empire 1894-1945, Taiwan provided tropical produce (i.e., fruit) and rice. The conclusion of the Second World War with Japan's defeat freed Taiwan from this colonial status. The Japanese had left good roads and port facilities, a number of food-processing industrial plants, and a peasantry which was willing to make technical changes. Aerial bombardment during the Second World War had damaged the roads, ports, and food processing industries. (1)

The postwar period presented great difficulties for the people of Taiwan. This island suffered extensive war damage. The government of Chiang Kai-shek was still embroiled in the internal struggle for control of the Chinese mainland and concentrated its efforts for reconstruction across industrial Manchuria with little allocation of scant resources given to the reconstruction of Taiwan. Railroad transportation, for example, did not reach the pre-war peak until 1951. The economy had been based primarily on agriculture.

Besides inattention and the absence of resources for reconstruction, Taiwan experienced other pressing problems in the period 1946-1952, known as "a time of turmoil and trial." The population registered seven million. When the Communists took over the mainland, Taiwan had to absorb immediately over one million evacuees from the mainland. Moreover, the settling of these newcomers and the movement of the seat of government to Taipei did not bring immediate benefits to Taiwan. In fact, the first priority consisted of building the defenses of Taiwan against possible attack from the mainland, since Mao had made it clear he intended to add Taiwan to the empire of the People's Republic of China. Inflation, which had hampered the Chinese Republic on the mainland, became a problem on Taiwan, although it was eventually overcome by the ROC government, as the following inflation statistics reveal: 3,400 percent in 1949; 306 percent in 1950; 66 percent in 1951; and 23 percent in 1952. (2)

Saved from attack by the PRC, the years 1953-1962 represented a time of consolidation and stabilization. The United States helped the economy develop and by the end of 1960 double digit inflation was reduced and exchange rate devaluation came to an end by 1960. Supplies of chemical fertilizer,

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textiles and cement were secured through import substitution policies. Per capita income increased. Trade and foreign exchange liberalization policies were adopted. A major expansion of the economy occurred as it moved from the traditional staples to a more diversified industrial orientation. Notably, rice and sugar (which had previously dominated exports) fell to about 50 percent of exports.(3)

Other figures demonstrate the changing nature of the economy. Comparing export figures for the years 1953 and 1962, we discover that agricultural goods and products declined from 93 percent to 40 percent while industrial products jumped from 7 percent to 51 percent.(4) Pennsylvania State University Professor of Economics Jan S. Prybyla has assessed the situation as follows:

> Despite what in the early 1950s were formidable odds, Taiwan's economy in the last thirty years has shown enormous vigor, resilience, and flexibility. By every available yardstick the economy had done very well in comparison with others placed in similar or more propitious circumstances . . . . Among those who could vastly benefit from such study are the authorities on the mainland of China.(5)

One of the most successful government programs in Taiwan was land reform. This is notable, especially when one compares the chaos and brutality of the land redistribution program in mainland China during the period. Under Communist rule, land was confiscated, landlords persecuted, efficient large estates were broken up, and the Chinese peasants were assigned land which they had to work extensively for the benefit of the government and without any incentive or rewards for productivity. The ROC land reform program on Taiwan, in stark contrast, was achieved peacefully and helped launch the economy on a major advance that assured social stability.

The Taiwan land reform program remains significant not only because of what it achieved for the residents of Taiwan but because it became a model for less developed nations. The program achieved results in three steps. First, rents were lowered by 37.5 percent while the landlords had to sign leases for a minimum of six years. A second step involved selling to the farmers the land which the Japanese had formerly owned or occupied. This not only provided an opportunity to put the land into productive use but made the farmers "capitalist"

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owners, with a stake in the development of society. The final stage included the Land-to-the-Tiller Act, requiring the larger landlords to sell land to the government, which was then sold to the peasants. This increased land ownership among the residents of Taiwan. The positive results included an increase in rural income. The higher income earned by the farmers encouraged more education as well as rising standards of health and welfare, and the funds realized from the "Land-to-the-Tiller" program aided private investment in the industrial sector which promoted economic growth, diversification in the economy, and more urbanization with increasing employment opportunities in the cities.(6)

The successful application of the free enterprise model to Taiwan brought tremendous results — socially and economically.

Gross National Product advanced at growth rates ranging from 3.7 percent in 1957 to 9.6 percent in the period between 1960 and 1965. Ownership of land by the cultivators increased from 55 percent in 1948 to over 85 percent by 1959. U.S. aid assisted in developing infrastructure projects and the promotion of small businesses aided capitalistic development. By 1965, U.S. financial aid to Taiwan could be phased out, and instead a healthy partnership developed with the U.S. encouraging American businessmen to invest in Taiwan while providing access to the U.S. market. By this time, the Chinese on Taiwan, aided by the U.S., had created a successful growing consumer-capitalist economy, oriented towards international trade.(7) Native Taiwanese have been successfully integrated into the social and commercial milieu, holding positions of leadership in most sectors.

The contrast in the results of the ROC policies on Taiwan and those of the PRC on the mainland should be noted. The PRC claimed to be a model for Third World economic development. Its land reform program resulted in the killing of a minimum of 2 million landlords and rich peasants and resulted in famine, food shortages, economic dislocation, and thousands fleeing China to Hong Kong.(8) The Chinese Communist land reform program was dominated by "class struggle" with economic, social, and political consequences. The "struggle meetings" encouraged violence against the landlords while the Communist officials extended their control over the peasantry.

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The "equalization of land tenure" had been advertised as giving the peasants a title to their new land, but the promises relating to the program were soon broken as the PRC moved toward a collectivist agrarian system. Collectivization was justified as the only way to boost agricultural production to pay for industrialization. (9)

Taiwan has continued to advance since the mid-1970s. The island economy suffered from the oil shock but rebounded soon afterwards. An export boom helped raise Taiwan's economic growth to 8.8 percent, an increase over 1985's 5.1 percent. Since Taiwan imports almost all of its oil, the decrease in world oil prices aided it. The sharp rise of the Japanese yen against Taiwan's NT dollars helped to make products more competitive overseas. The strong demand in the United States helped its economy since the U.S. presently takes about 50 percent of Taiwan exports. (10)

While there have been some difficulties with the U.S. over trade and the U.S. suffers from a huge trade deficit, problems are being worked out between the two countries. It appears, that in response to U.S. requests, its tariffs may be reduced by an average of 50 percent during 1988 on possibly as many as 3,520 imports. Some tariffs may be completely eliminated while tariffs will be reduced by 5 percent on shoes, 7.5 percent on telephones, and between 5 and 10 percent on textiles. (11)

The PRC tried to ignore the prosperity of its smaller rival. The failure of its own economic programs (i.e., the Great Leap Forward) and the political and economic chaos in the last days of Mao's regime (i.e., the Cultural Revolution) only helped emphasize the political stability and economic success of Taiwan. Recognizing the failures of Mao's policies, Deng Xiaoping adopted the "Four Modernizations," which, though continuing a centralized economy, added some capitalist-type incentives and some decentralization. One of the major focuses of Mao's foreign policy had been to offer the economic program in China as a model for the Third World. Ironically, the economic program of Taiwan, its archrival, has become the more reliable and workable model for developing nations. Rather than drown Taiwan economically, the mainland had to imitate certain features of Taiwan's program. While this may be only a temporary lapse from orthodox Marxist economics intended to allow the PRC to advance its technology and build its

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strength as a world power, Taiwan remains a viable and living testimony of the failure of Marxism. The PRC leadership seeks to void this embarrassment by absorbing Taiwan into the Communist system.

Differences in Government: ROC and the PRC

Aside from the great differences in economics, there remains a vast difference between the governments of the Republic of China on Taiwan and the People's Republic of China. These differences amount to total incompatibility, and, in any type of reunification, one or the other system must prevail. In all likelihood, the totalitarianism of Beijing would prevail over the democracy of Taipei, because of the land mass, military, and totalitarian machinery controlled by the PRC.

The government of the PRC is rooted in the absolute control of the Chinese Communist Party, based on the doctrines of Marx, Lenin, and the Thought of Mao Zedong. The Chinese Communist Party permeates every level of government; there is a comparable Communist party unit for each major government unit. The Communist Party without doubt remains the dominant force in the operation of the PRC.

The Thirteenth National Congress of the Chinese Communist Party opened on October 25, 1987 and resulted in a confirmation of the leadership role of Deng Xiaoping and a continuation of his policies. While some changes appear certain in the internal order, there appears no deviation whatsoever in foreign policy goals or objectives, except that younger party leaders will be making the policy decisions. Deng Xiaoping, age 83, left the top positions of Chinese Communist leadership turning them over to Premier Zhao Ziyang, age 68. The Thirteenth Congress not only provided for an orderly transition after Deng but also approved measures to permit some separation between the function of the Chinese Communist Party and the daily management of the Chinese state. Zhao received confirmation as the Party's General Secretary; but Deng retained the powerful post as Chairman of the Chinese Communist Party's Military Commission and will still remain influential as China's paramount leader.(12)

However, even the political reforms proposed to separate the party and the state in practical matters left no doubt that the leadership role of the Chinese Communist Party will con-

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tinue and that China will remain a one-party state. In fact, the reduction in the size of the new poltiburo (from 20 to 17 members) and the retirement of older members may reduce the potential for factional conflict within the Party, strengthening the hand of the present Deng-Zhao group in its pursuit of domestic and foreign policy goals.(13) The official Communist Party Xinhau newsletter hailed the Thirteenth Congress as "the new Long March" which would cure the backwardness of China in the world and "win China the status it deserves in the world" and will continue "the revolutionary zeal to keep on fighting despite all setbacks."(14)

Deng has always adhered to the philosophy of Marx, Lenin, and the Thought of Mao Zedong as the basis for the government of the PRC. He has reiterated these principles, on many occasions, stressing the "four cardinal principles ideologically and politically" for achieving modernization: keep to the socialist road, uphold the dictatorship of the proletariat; uphold the leadership of the Communist Party; and uphold Marxism-Leninism and Mao Zedong Thought.(15)

Despite criticism of Mao's policies, Deng still holds Mao in high regard. In an interview with the Italian journalist Oriana Fallaci, he noted that Mao's mistakes were "only secondary" and that "we Chinese will always cherish him as a founder of our Party and our state."(16) He added:

> In the final analysis, the general principle of our economic development is still that formulated by Chairman Mao, that is, to rely mainly on our own efforts with external assistance subsidiary. No matter to what degree we open up to the outside world and admit foreign capital, its relative magnitude will be small and it can't affect our system of socialist public ownership of the means of production. Absorbing foreign capital and technology and even allowing foreigners to construct plants in China can only play a complementary role to our effort to develop the socialist productive forces. Of course, this will bring some decadent capitalist influences into China. We are aware of the possibility; its nothing to be afraid of.(17)

Zhao will likely confront the same type of internal problems Deng faced in dealing with the Chinese bureaucracy. Deng found that the growing problem of waste, overstaffing, corrup-

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tion and inertia hampered the Chinese Communist efforts at modernization; the need was permanent to curb corruption, eliminate other bureaucratic abuses, reorganize the state and local party systems in order to reduce overstaffing and duplication, and reform the personnel system to improve recruitment, performance, appraisal, and training. Deng began his reform in 1982 but has found these problems – along with factionalism – to be very persistent in the Communist system.(18)

Has this situation changed? Zhao took special effort at the recent National Congress to state that those who interpreted Chinese politics as a struggle between factions will make "one mistake after another."(19) He nevertheless assailed the over-concentration of power, bureaucratism, and feudalistic nature of China's current political structure. He left no encouragement for those who hoped the changes in China might lead to a more open and democratic system:

> We shall never abandon (our system) or introduce a Western separation of the three powers and different parties ruling the country in turn.(20)

The mainland system of government is literally incompatible with the system of government developed in the Republic of China. That the "one country" part of the "one country, two systems" would lead to the domination of one form of government in the two governmental system can be appreciated by examining the background and the present development of the government of the Republic of China.

The philosophical underpinnings of the government on Taiwan remains the Three Principles of the People enunciated by the father of the Chinese Revolution of 1911, Dr. Sun Yat-sen – nationalism, democracy, and people's livelihood. Dr. Sun placed a great emphasis on the moral character of the Chinese people maintaining that "only by attaining a high standard of morality" could a nation hope to govern long and exist at peace."(21) He stressed that this high moral power of the Chinese people allowed China to survive despite conquest by foreign peoples (i.e., the Mongols and Manchus) who became assimilated. A revival of the ancient morality, he urged, would provide the road for the nation to regain its once-exalted position in the world.(22)

Dr. Sun held that the San Min Principles constituted idea, faith, and a power for national salvation which would elevate

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China to "an equal position among the nations, in international affairs, in government, and in economic life . . ."(23) One essential was "nationalism," which he defined as "that precious possession which enables a state to aspire to progress and a nation to perpetuate its existence."(24) Another factor he defined was "democracy" or "people's sovereignty," which he viewed as political power of the people controlling government. This corresponded to equality, in the sense that the French identified and equated it with liberty.(25)

In the term "people's livelihood," Dr. Sun embraced all aspects of "the social problem," including the existence of society, the welfare of the nation, the life of the masses. The issue of the social problem came to the forefront of public attention because of the invention of machinery and consequently the substitution of natural power for human labor in the more advanced economies of the world. The transfer of wealth because of this revolution in production led to suffering by the workers making this social problem a concern of good government. Dr. Sun rejected the Western version of socialism as limited only to dealing with "the economic problems of society" or material forces. He preferred an adjustment of major economic interests rather than a clash of interests (i.e., Marx's doctrine of class warfare). Thus, the majority of people would benefit and society would progress if most of the economic interests of society could be harmonized. Two specific methods China intended to pursue in securing the people's livelihood were equalization of landownership and regulation of capital.(26)

Presenting a perceptive commentary which could have anticipated the struggle between the two schools of thought and policies for developing China during the past forty years (i.e., socialism and class struggle on the PRC-controlled Chinese mainland contrasted with free enterprise and liberty on the Republic of China on Taiwan), Dr. Sun (August 10, 1924) made the distinction between his program and that of the Marxists:

> These peaceful methods are the four which I have described in my last lecture – social and economic reform, nationalization of transportation and communications, direct taxation or the income tax, and socialized distribution or cooperative societies. They are quite different from the methods Marx proposed, and if we follow them as the

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> way to economic reconstruction, we will be in opposition to Marx's revolutionary schemes. Various Western nations are putting together one after another of these four plans into operation, and although the results so far are not all that they hope for, yet they feel the ultimate solution of the social problem does lies in these four plans, and many socialists are supporting them. At the same time that they endorse these peaceful methods, they resist Marx's revolutionary methods.(27)

The government which Dr. Sun established on the foundations of the old imperial China represented a combination of Western borrowings and Chinese tradition. This government was transferred from the Chinese mainland (1911-1949) to Taiwan. It was based on what he termed a "quintuple-power constitution" – four powers on the people's side and five powers on the government side. The four powers for the people included suffrage, recall, initiative, and referendum. While the Western/English tradition established a three branch government – legislative, executive, and judicial – the Chinese government would include the legislature, judiciary, executive, civil service examinations, and censorship. These powers were exercised by five departments or "yuans" – Executive, Legislative, Judicial, Examination, and Control Yuans. This government of nine powers, he concluded, would provide a balance and a guarantee of democracy to the people of China.(28)

When he transferred the government from the Chinese mainland to Taiwan, Chiang Kai-shek preserved these principles. Since the Communists represented a continuing threat of invasion, the ROC – separated from its powerful belligerent neighbor by a narrow sea passage – established martial law. Some restrictions on political activities were retained to prevent the Communists from penetrating and creating problems on Taiwan. Elections could not be held for the constituencies on the mainland, but regular elections have been held for those areas under the control of Taiwan (i.e., Taiwan, the Pescadores). Despite the continuing Communist threat from the mainland, Taiwan has been moving towards a more free democratic system in sharp contrast to the PRC which, though introducing some economic freedom, has refused to liberalize the political system.

For example, in December of 1986, Taiwan held a national election, selecting fifty-four legislators and fifty-seven assembly-

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men. These elections have been held every three years (i.e., every three years for the Legislative Yuan and every six years for the National Assembly). The significance of the 1986 elections represented a new epoch: the emergence of a competitive two-party system. The ruling party, the Kuomintang or Nationalist Party (KMT), met competition in those elections from the Democratic Progressive Party (DPP). While the KMT remained the dominant party, this competition ushered in a new era of democraticization for Taiwan.(29) The Emergency Decree (martial law) has been lifted after forty years and the government of the ROC now permits its citizens to travel to the mainland to visit relatives, being confident that its people will remain loyal to freedom after seeing the contrast between the two systems.(30)

The government of the ROC remains vastly different from the government of the PRC. In foreign policy, the PRC still expects to export its revolutionary doctrine; the ROC seeks peaceful relations with all nations with no intention to dominate or overthrow any other government. Furthermore, the Nationalists' approach to foreign development aid – especially in regard to agricultural and rural assistance in Africa and Central America demonstrates that the ROC is not only politically savvy, but is faithful to the ROC's international policies. The PRC is experimenting with a system allowing limited free enterprise but still considers itself socialist and Marxist. The ROC has a free enterprise system which has given it a sound economy from which the benefits have spread to its entire population. The PRC still maintains a totalitarian one-party system; the ROC has a democratic system growing more so. In a world looking at human rights and democratic freedom, the success of the PRC's foreign policy goals absorbing or reunifying Taiwan can only result in a disappearance of democracy on Taiwan and the total political control of this island province by a totalitarian Communist Party.(31)

The PRC Plan for Taiwan

The Chinese Communists spent many years threatening to "liberate" Taiwan by military force. In 1950, their armed forces tried to capture the two islands off China's coast under Taiwan's control Quemoy (Kinmen) and Matsu but were unsuccessful. Then they bombarded the islands with military

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shells and propaganda leaflets for years. The Chinese Nationalists held firm and have built both islands into strong military fortresses. While under Deng Xiaoping the Communists have adopted a more subtle diplomacy based on negotiations, military threats enter into official rhetoric and publications from time to time. However, if the People's Republic of China did take over Taiwan, the future for the Chinese people on Taiwan would be uncertain and it would seriously weaken the Free World's strategic position in Asia.

The Chinese Communist strategy on Taiwan has been to isolate Taiwan, weaken the commitment of its strongest ally to the defense and preservation of the autonomy of the ROC, and open negotiations which would lead to the incorporation of Taiwan into the PRC under the PRC's terms, thus "reunifying" all of China.

The isolation strategy involved pressuring governments throughout the world to recognize the PRC and not the ROC as the legitimate government of China. Significant success occurred when Britain, France, and Japan did so. However, their longterm friendship and relations with the Chinese Nationalists, plus doubts on the external policies of the PRC, led these nations to keep an open and active trade relation with Taiwan. The PRC received a major boost when the United Nations, over the opposition of the United States, voted the PRC into the China seat in the U.N., thereby expelling the ROC, a longtime and faithful member, in 1971. It is interesting to note that even when this occurred, the U.N. did not go further to state that it recognized Taiwan as part of the territory of the PRC. The U.N. vote, in effect, left Taiwan in an undetermined status.(32)

Is Taiwan a part of China? Scholars of international politics such as William Kintner and John F. Cooper have dismissed the PRC's claim that their dispute with the ROC on Taiwan is an integral matter between the PRC government and an errant province. They note:

> None of the arguments mentioned – historical and treaty claims, the traditional definition of the nation-state, or United Nations usage – renders the verdict that the dispute is a domestic one. Rather, it confirms the view that the ROC is an independent sovereign nation state.(33)

The leadership of the PRC are experts at making what appears to be conciliatory proposals, reaching an agreement

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involving ambiguities, and then advancing their own favorable interpretation of these ambiguities despite contradictory interpretations left in the minds of the other negotiating party or parties.

An outstanding example of this technique involves the Shanghai Communique. Faced with increasing hostility from the Soviet Union, the PRC moved toward an opening with the United States signaled by President Richard M. Nixon's visit to China in 1972. The decision is best seen as a strategic move by both the U.S. and China. The U.S. government, at that time weakened in the post-Vietnam era, sought contact as a counter to the Soviet Union while the mainland sought the help of the United States in deterring the Soviet Union. One obstacle in establishing this relationship remained the security and status of Taiwan. The United States recognized the ROC as the legitimate government of China, a situation which continued until President Jimmy Carter suddenly and unilaterally announced – without consulting America's allies – recognition of the PRC and derecognition of the ROC in December of 1978.

The Shanghai Communique, which was issued at the close of Nixon's visit to China (February 27, 1972), put the U.S.-China relationship in strategic terms but left many issues undefined. For example, the U.S. agreed to oppose "hegemony" and "great power rivalry" in South Asia (reflecting the view of China toward the Soviet Union in that region). Regarding Taiwan, both agreed to disagree according to the statement issued. The U.S. reaffirmed its interest in the peaceful settlement of the Taiwan question and "did not challenge" the contention that there is only one China and Taiwan is part of it. (Notably, this is a position taken not only by the PRC but also by the ROC, except that the island republic seeks unification under a non-Communist free government.) President Carter took this policy further by stating that "hegemony" (i.e., Soviet power moves) should be opposed in the Asia-Pacific region, recognizing the PRC and derecognizing the ROC, thereby breaking a policy which had been followed by six U.S. presidents of both political parties. While notification was given to terminate the mutual defense treaty between the U.S. and the ROC, Members of Congress made it clear that the U.S. still had commitments to Taiwan and could not rely on the promises of Beijing

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to secure Taiwan's freedom. Beijing had maintained that the Shanghai Communique had given it a free hand over Taiwan, a position which the U.S. government has rejected.(34) Professors Kintner and Cooper have explained the operation of this agreement as follows:

> The Shanghai Communique must be seen as a sincere attempt to further détente with Peking without appreciably changing Washington's stance on Taiwan's legal status, which, of course, was difficult because Peking had already made it clear that the Taiwan issue was the major obstacle to improving relations and had said it would not deal with the United States "until Taiwan had been restored." The wording, as already noted, certainly affords ambiguity, presumably the only avenue open to the negotiators. One would hardly conclude that "does not challenge" indicates that the United States agreed that Taiwan belongs to the PRC. Peking may take this view, and, as has already been pointed out, the Chinese translation makes such an interpretation easier.(35)

A second Shanghai Communique between the U.S. and the PRC took place in 1982 under the Reagan Administration. This time the terms focused on the reduction of U.S. arms sales to Taiwan. This document only makes clear the continuing ambiguity of the agreements between the two powers on the arms sale question and the Taiwan Relations Act (which the U.S. Congress passed (and President Carter signed), in which the Congress sought to clarify U.S. support for Taiwan after the U.S. recognition of the PRC.

In the agreement, the U.S. pledges itself to a "gradual reduction" in arms sales over time until a "final resolution." The U.S. interprets a "resolution" to mean settlement of the unification issue between the two Chinas, but Beijing interprets "resolution" as meaning simply a complete end to arms sales. The U.S. has maintained that it will continue the arms sales to Taiwan based on the defense needs of its faithful ally, and the Reagan Administration, one month prior to the completion of the second Shanghai Communique, made six assurances to Taiwan including provisions that no agreement on any date to end arms sales to the ROC would be considered. Also, prior consultations with the Chinese Communists on arms sales to the ROC would be held. The terms would not include any mediation role

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between Taipei and Beijing regarding the Taiwan issue. Of importance was another provision wherein Washington assured it agreed to revise the Taiwan Relations Act; and that it had not altered its position regarding sovereignty over Taiwan. One pledge that pleased the ROC and its supporters was that America would not exert pressure on the ROC to enter into negotiations with the PRC. (36)

Informal contacts have been opened between the PRC and the ROC. The opening of the first bilateral talks in forty years occurred in 1986 when a Chinese Air Lines flight was diverted to Canton airport at the end of the cargo plane's Bangkok-to-Hong Kong trip. On May 3, the ROC noted that its willingness to enter into discussions did not mean abandonment of the "three no policy" – no negotiations, no contacts, and no compromise with Beijing. Beijing had all along been pushing for talks with Taiwan on reunification based on a "one country, two systems" formula which would grant Taiwan the status of a separate autonomous region within the PRC. The ROC made it clear that it did not change in its position in agreeing to talks on the airliner and it would consider talks and any subsequent contacts on a case-by-case basis. (37)

Taiwan has followed a policy of openness, with a lifting of the Emergency Decree (martial law) and a willingness to lift the ban on travel to mainland China. This lifting of the ban on travel to the PRC is expected to yield long-term results for Taiwan – an offensive of ideas which will let her people see firsthand conditions on the mainland. This will constitute the first travel of citizens of the ROC to the PRC since the Communist takeover of the mainland in 1949. (38)

In addition to the isolation of Taiwan diplomatically, and to pressure on the U.S., as the island's chief ally, to make concessions on her status, the PRC has tried to undermine Taiwan in other ways. Commerce is utilized wherever possible; it remains a factor as the PRC, expanding international trade – trying to undercut existing Taiwanese markets across many areas of the world.

Deng Xiaoping moved to a cooperative united front strategy in 1980 when he declared that three top priority items of reform included: anti-hegemony, reunification, and the four modernizations. In 1981, shortly after the "National Day" ceremony Yeh Chien-ying published a Nine Point Guarantee

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for "peaceful unification" which pledged that:

> . . . after the peaceful unification of Taiwan with the mainland, the island could be turned into a special administrative zone with the assurance of retaining its armed forces and a high degree of autonomy.(39)

Deng in October of 1982 proposed the idea of "one country, two systems" to Margaret Thatcher, British Prime Minister, in settling the Hong Kong issue. In December of that same year, the National People's Congress of the PRC passed a Thirty-First Article of the Chinese Communist Constitution with provisions for the establishment of "special administrative zones" in times of necessity. Thus, the official statement of the Chinese Communist Party advertised that if the ROC on Taiwan would join the PRC then Taiwan would be permitted an independent judiciary and control over its military, and the Hong Kong model would serve as the model for Taiwan.(40)

However, even if the Chinese Communists could be relied upon to keep their promises, there remained an important loophole in this constitutional provision which should give pause to the government of Taiwan before relying on any such promise. The Thirty-First article stipulated that these "special administrative zones" could be created "in times of necessity," but added that these zones came under the legal supervision and control of the National People's Congress with no individual party having the right to violate the Chinese Constitution. Therefore, the "special administrative zones" provision offers little protection to guarantee Taiwan's protection or independence.(41)

Deng Xiaoping has emphasized that his goal is to bring Taiwan under the control of the government of the mainland and thus does not differ from Mao's intention even though Deng does not use the military threat as often. In his opening address to the Twelfth National Congress of the Chinese Communist Party which adopted the new Constitution for China, Deng made clear his objectives:

> The 1980s will be an important decade in the history of our Party and state. To step up socialist modernization, to strive for China's reunification, and particularly for the return of Taiwan to the motherland, and to oppose hegemonism and work to safeguard world peace – these are the three major tasks of our people in the 1980s.(42)

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In a 1982 interview, Deng went further in stating his intentions. He noted that the U.S. arms sales to Taiwan constituted "an act of infringment on China's sovereignty and interference in China's internal affairs." He criticized China's opposition to the U.S. arms sales to Taiwan. He added: "There is no room for bargaining on the question of safeguarding China's Sovereignty. (43)

The arms sales issue remains a critical one between the U.S. and China – and remains as the major stumbling block to an attempted takeover of Taiwan by the PRC. The PRC has even protested the selling of spare parts to the ROC. The Reagan Administration has continued the sales but the lack of firm statements on the question leaves the perception of many official ambiguities. In turn the U.S. is jolted from crisis to crisis by pressure from Beijing. Ever willing to exploit this perceived weakness, Beijing is likely to continue the initiative, and under the guise of preserving good U.S.-China relations,, it will press the U.S. for a cutoff date for arms sales. That single step would deal a body blow to Taiwan, threaten regional stability and peace in Asia, and completely undermine U.S. credibility with its allies throughout the world. Other Asian countries are rightfully concerned. The PRC would continue to build its military forces while waiting for military technology to outdate the aging weapons possessed by Taiwan. The U.S. needs to maintain a strong defense and alliance system in Asia and not sacrifice such a policy for elusive U.S.-PRC strategic cooperation. In U.S. policy, the strengthening of the free and prosperous nations of Asia is a more reliable means to confront Soviet ambitions in the region. The strategic relationship with the PRC, based on the U.S. forever playing the "China card," is merely an opportunity for Beijing to seize Taiwan. (44)

Anyone in doubt about the ultimate results if the PRC accomplished its long-standing aim to absorb Taiwan should examine carefully the state of the negotiations over Hong Kong and Macao and the actuality of Beijing's agreements as evidenced by events in Tibet, notwithstanding the promises it had made to Tibet. While Beijing's vague and sometimes contradictory pledges serve to allay fears of those not yet subjugated, propaganda satisfies naive academics and diplomats who ignore the record of aggression in Korea and Tibet, and the PRC must obliterate their own record. The PRC has collaborated actively

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with Communist subversive movements in the Middle East, across Asia, and as far away as Africa. It has steadfastly maintained rigid control over an expanding empire, without regard to the wishes of peoples (Chinese and otherwise) under its control. Professor Huang Yen-tung of National Taiwan University has revealed the significance of PRC promises in their stark reality:

> "One Country, Two Systems," is merely a euphemism camouflaging the Chinese Communists' real intentions of "One Goal and Two Kinds of Tactics to Promote That Goal." . . . By "One Goal," they mean procuring absolute sovereignty for the Chinese Communist regime while only temporarily tolerating or paying lip service to "another system." . . . They first hold out the promise of liberal conditions, as they did to Tibet, then they set afloat a decoy duck labelled "guarantee of preservation of the status quo" to confuse world opinion, cause their opponents to drop their guard, and to eliminate or reduce all obstacles to political reunification. . . After the opposite side has stepped aside or capitulated, then "progressive evolution" takes place to change society and the "status quo" into that "ideal socialist state" the Communists envisioned but have, as yet, failed to accomplish.(45)

FOOTNOTES

(1) Henri Y. Wan Jr., "The Taiwan Economy: General Background" in James C. Hsiung and others (editors), *Contemporary Republic of China: The Taiwan Experience 1950-1980,* New York: Spett Publishing Company/American Association of Chinese Studies, 1981, p. 131.

(2) Ibid.

(3) Ibid.

(4) Ibid., p. 132.

(5) Jan S. Prybyla, "Domestic Economic Construction," in Hsiung, *Contemporary Republic of China*, p. 130.

(6) William R. Kintner and John F. Cooper, *A Matter of Two Chinas,* Philadelphia, Pennsylvania: Foreign Policy Research Institute, 1979, p. 24.

(7) Ibid., pp. 24-25.

(8) Ibid., p. 24.

(9) John K. Fairbank, Edwin O. Reischauer and Albert M. Craig, *East Asia: Tradition and Transformation*, Boston: Houghton Mifflin Company, 1973, pp. 899, 901.

(10) *Asia 1987 Yearbook*, Hong Kong: The Far Eastern Economic Review, 1987, p. 253.

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(11) "Tariffs on most imports to be reduced next year," *The China Post*, November 6, 1987, p. 1.

(12) Robert Delfs, "Reform and renewal," *Far Eastern Economic Review*, November 12, 1987, p, 35.

(13) Ibid.

(14) "*Xinhua* Newsletter Hails 13th CPC Congress," Beijing *Xinhua* Domestic Service, printed in *Daily Report: Foreign Broadcast Information Service*, November 5, 1987, p. 23.

(15) One such of many speeches is one before a forum on presenting the principles of the Communist Party's theoretical works on March 30, 1979 entitled "Uphold the Four Cardinal Principles" in *Selected Works of Deng Xiaoping 1975-1982*, Beijing: Foreign Languages Press, 1984, p. 172.

(16) "Answers to the Italian Journalist Oriana Fallaci, August 21 and 23, 1980," in *Selected Works of Deng Xiaoping 1975-1982*, p. 326.

(17) Ibid., p. 332.

(18) James Kuo-shing Lee, "An Assessment of Teng's Bureacratic Reform, 1979-1984," *Issues and Studies*, 23 (May, 1987), No. 5, pp. 14, 31.

(19) Delfs, "Reform and renewal," p. 35.

(20) Robert Delfs, "Zhao cements both economic and political reforms: Shareholders arisel," *Far Eastern Economic Review*, November 5, 1987, p. 14. One of the changes for separating government and party work would result that party committees would no longer designate a full time secretary or standing committee member who holds no government post to take charge of government work; party cells which overlap government work would be abolished. Ibid.

(21) Sun Yat-sen, *The Three Principles of the People*, Taipei: China Publishing Company, 1982, p. 31.

(22) Ibid.

(23) Ibid., p. 1

(24) Ibid., p. 11.

(25) Ibid., pp. 49, 64.

(26) Ibid., pp. 113-115, 119, 124.

(27) Ibid., p. 126. Dr. Sun also made a distinction between the Western tradition and the course China was ready to embark upon: "China's tide of revolutionary ideas came from Europe and America, and the theory of equality has also been introduced from the West. But our Revolutionary Party (Kuomintang) advocates a struggle, not for liberty and equality, but for the Three Principles of the People. If we can put these Three Principles into practice, we will have liberty and equality." Ibid., p. 70.

(28) Ibid., pp. 110, 112.

(29) Wen Lang Li, "Political Modernization in Taiwan: Observations from Recent Election Outcomes," *Asian Affairs*, 14 (Spring, 1987), No. 1, pp. 36, 40-42.

(30) "Visitors will see the Truth," *The Free China Review*, August 31, 1987, p. 2; "Mainland Visits OK'd for Taiwan Residents," *The Free China Journal*, October 19, 1987, p. 1.

(31) For a comparison of the human rights situation in the two Chinas see James C. Hsiung (editor), *Human Rights in East Asia: A Cultural Perspective*, New York: Paragon House, 1986.

(32) Kintner and Cooper, *A Matter of Two Chinas*, pp. 55-57.

(33) Ibid., p. 60.

(34) Ibid., pp. 5-7.

(35) Ibid., p. 47.

(36) Robert L. Downen, *The Tattered China Card: Reality or Illusion in United States Strategy*, Washington, D.C.: Council for Social and Economic Studies, Inc., 1984, pp. 72-74, 125. Downen presents a thorough review of the strategy questions involved. The appendices include the two Shanghai Communiques, the joint com-

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munique of U.S. recognition of the PRC, the text of the Taiwan Relations Act, the presidential statement on the second communique, the six assurances to Taiwan made by the Reagan Administration, and an interview with President Reagan on arms sales to Taiwan. Ibid., pp. 107-128.

(37) "Taiwan," *Asia 1987 Yearbook*, pp. 251-252.

(38) Cindy M. Benedicto, "Compromise with Communism: Change in ROC Is Way of Life, But One Thing Will Never Alter," *The Free China Journal*, October 19, 1987, p. 1.

(39) Huang Yen-tung, "'United Front' Ploy: Communist Talk of One Country and Two Systems Is Plain Sham," *The Free China Journal*, August 31, 1987, p. 2.

(40) Ibid.

(41) Ibid. Professor Huang makes a comparison of the "Nine Point Guarantee" with the seventeen item "Agreement Concerning Peaceful Liberation of Tibet." This latter agreement pledged no interference with Tibet's leadership system, its religion, its customs, nor the right to preserve its own army. The invasion of Tibet by Chinese troops made a mockery of this agreement with complete control taken of every aspect of Tibetan life and with persecutions of the Tibetan people following. Ibid.

(42) Deng Xiaoping, "Opening Speech at the Twelfth National Congress of the CPC," September 1, 1982, in *Selected Works of Deng Xiaoping 1975-1982,* pp. 396; also Robert Maxwell (editor), *Leaders of the World: Deng Xiaoping: Speeches and Writings*, New York: Pergamon Press, 1984, pp. 85-88.

(43) Maxwell, *Leaders of the World: Deng Xiaoping: Speeches and Writings*, pp. 79-85.

(44) Downen, The Tattered China Card, *pp. 79-85.*

(45) Huang, "'United Front' Ploy," p. 2.

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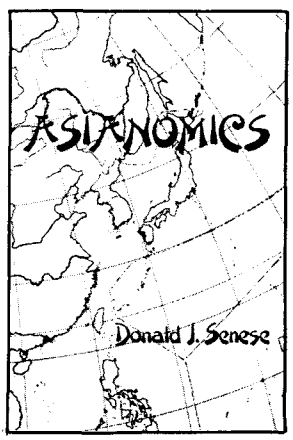

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THE PROBLEM OF CAPITAL FLIGHT FROM DEVELOPING COUNTRIES

By Mohsin S. Khan and Nadeem Ul Haque

The debt problems of developing countries coupled with the sharp decline in international lending to many countries in recent years have evoked great interest in the issue of private capital outflows, or "capital flight," from these countries among international policymakers, academics, and in the general public (through coverage by the news media). The view that while governments in many developing countries were borrowing abroad on a large scale during the 1970s and early 1980s, private citizens of the the same countries were acquiring foreign assets at a substantial rate, has become quite pervasive and is perhaps well on the way to being accepted as conventional wisdom. A corollary of this view is the position that if the funds being held abroad by domestic residents could be induced to return to the country of origin, or at least their outflow significantly reduced, the heavily indebted developing countries would be in a better position to adjust to the fall in external financing.

The phenomenon of capital flight and the inability to reverse the outflow may also become a factor in the provision of new lending to countries that need external finance to support their adjustment efforts. Foreign bankers, for example, may be unwilling to make new loans that would merely finance future capital flight. According to a major US bank, "When their own residents are unwilling to repatriate capital to invest at home, the debtor countries cannot expect greater willingness from their foreign creditors."(1) This view is apparently shared by other foreign banks, although perhaps not expressed so openly. Future lending to developing countries will, therefore, hinge on responses to the problem of capital flight by both borrowers and lenders.

What is Capital Flight?

There is no generally accepted definition of capital flight. At one extreme all private capital outflows from developing countries, be they short-term or long-term, portfolio or equity investments, could be termed capital flight. This is because

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developing countries are generally capital-poor and should be net borrowers in the developing process, supplementing domestic savings with external finance. Capital outflows, therefore, reduce the resources available to these countries and represent a loss of potential growth.

However, this is not the most commonly used definition of capital flight. The term is generally associated with short-term outflows for speculative purposes or with outflows resulting from economic or political uncertainties in the home country. In other words, it is a money that is "fleeing" from the country rather than external investment guided by long-term economic considerations. According to this definition, capital flight would consist of all short-term private capital outflows plus the "net error and omissions" items in the balance of payments accounts, that is, the items that cannot be otherwise accounted for.

The weakness of this approach is that it does not take into account short-term outflows that correspond to "normal" portfolio diversification by domestic residents. It is not the outflow of private capital *per se* that creates the problem of capital flight, but rather that part of the outflow that is in some sense lost to the country. While total wealth (domestic plus foreign) of nationals may be unchanged by capital flight, when the government has no knowledge of or returns from foreign assets (in the form of taxes, for example) accumulated by domestic residents, and earnings from these assets either remain outside the home country or are brought into the country through unofficial channels, the foreign income and wealth of domestic residents cannot contribute to the servicing of the country's debt or to the financing of its development program. In practical terms, therefore, capital flight could be defined as the difference between total private capital outflows and the part for which interest income is identified and reported.

Legal and Illegal Capital Flight

Capital flight takes place in various ways. If there are no exchange or capital controls in operation domestic residents simply transfer funds abroad at the prevailing exchange rate. Indeed, among the highly indebted developing countries the largest amounts of such transfers have been from those that had

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relatively free payments systems — Argentina, Mexico, and Venezuela. The ease with which residents engage in capital flight is obviously directly related to the availability of foreign exchange, which in itself is a function of foreign borrowing. Exchange controls may increase the impact costs of moving funds abroad, but experience shows that such controls can be circumvented. Common ways of doing this are underinvoicing of exports, overinvoicing of imports, and even outright smuggling of currencies or foreign exchange-earning commodities. As long as the receipts from such operations are kept abroad and not recorded in the balance of payments accounts, they represent wealth and interest income lost to the country, that is capital flight.

In many developing countries, parallel or black market for foreign currencies thrive and are utilized to transfer funds. There are even instances where such markets are located offshore and, therefore, are completely out of the jurisdiction and control of the domestic authorities. One example of this is the well-developed and extensive "Hundi" market in the Middle East. This deals in the currencies of a number of countries that have exchange controls and allows expatriate workers to exchange their foreign earnings for home currencies at competitive rates through very efficient and speedy private intermediaries. Similarly, residents of countries with exchange controls can purchase foreign exchange overseas by paying in local currencies, albeit at a higher cost than through official channels.

Other methods of transferring capital overseas, though difficult to document, include commissions and agents' fees paid by foreign contractors directly into bank accounts of residents, setting up dummy foreign branches of companies to transfer funds abroad, and keeping part of foreign borrowings abroad.

Dimensions of the Problem

Given the difficulties in defining capital flight and the channels through which it moves, obtaining accurate and direct information on the size of the flows is nearly impossible. At best only indirect calculations, with a large margin of error, can be made. Such estimates have been made, for illustrative purposes only, for a sample of eight highly indebted developing countries — Argentina, Brazil, Chile, the Republic of Korea, Mexico, Peru, the Philippines, and Venezuela — for the

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Table 1
Estimates of foreign debt and capital flights for eight major debtor countries, 1974-82
(in billions of U.S. dollars)

	Gross external debt[1]	Method 1		Method 2	
		Cumulated capital flight[2]	Capital flight as a percentage of gross external debt	Cumulated capital flight[3]	Capital flight as a percentage of gross external debt
Argentina	43.6	15.3	35.1	31.3	71.8
Brazil	90.5	−0.2[4]	−0.2[4]	3.9	4.3
Chile	17.3	−1.9[4]	−11.0[4]	−0.7[4]	−4.0[4]
Korea, Rep. of	37.1	0.6	1.6	8.1	21.8
Mexico	85.6	32.7	38.2	29.4	34.3
Peru	11.6	1.2	10.3	3.8	32.8
Philippines	23.3	—[5]	—[5]	8.4	36.1
Venezuela	31.8	10.8	34.0	15.6	49.1

[1] Drawn from World Bank, *World Debt Tables* (1985–86).
[2] Private short-term capital, plus net errors and omissions.
[3] Total private capital flows minus private capital flows calculated on basis of reported interest income.
[4] Capital inflow.
[5] Not estimated.

Table2
Private nonbank deposits from eight debtor countries in foreign banks, 1984
(in billions of dollars)

	US banks	All banks	Deposits in all banks as a proportion of gross external debt
			(In percent)
Argentina	3.8	7.6	17.0
Brazil	1.8	8.2	7.4
Chile	1.5	1.9	9.9
Korea, Rep. of	0.1	0.4	1.0
Mexico	10.4	14.3	15.1
Peru	0.9	1.4	11.2
Philippines	0.7	1.1	4.7
Venezuela	7.0	11.7	34.2
Total	**26.2**	**46.6**	**12.2**

Sources: US Treasury Department, *Treasury Bulletin*, various issues; and IMF, *International Financial Statistics*, various issues.

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period 1974-82. This period corresponds to the years when external borrowing by these countries was at its peak. Two sets of estimates are presented and discussed to show how different measures affect the calculated volume of outflows.

The first method defines capital flight as simply gross private short-term capital flows plus net errors and omissions in the country's balance of payments accounts. The second method, which tries to take into account "normal" capital outflows, is more complicated. It first estimates gross capital outflows by subtracting from changes in external debt the current account deficit and changes in the international reserves held by the central bank and net foreign assets of domestic banks over a certain period. The resulting gross capital outflows over the period reflect the total stock of external claims of the country. As a second step, it estimates the stock of external claims implied by the level of interest income earned from overseas investments and reported in the balance of payments (using foreign market interest rates to determine the volume of capital outflows that generated the reported interest income). The latter estimate is assumed to be "normal" capital outflows. The difference between this value and the total stock of external claims may be considered an indicator of capital flight. This second method thus defines capital flight as that part of the increase in external claims that yields no recorded investment income. The results of both methods are shown in Table 1.

The estimates based on short-term capital flows and net errors and omissions indicate that in all but the case of Chile there was a private net outflow over the period 1974-82. As a proportion of the level of external debt in 1982, the average capital flight for all the countries was a little over 15 percent. The second set of estimates in Table 1 yield significantly higher values for the period 1974-82, although the ranking is by and large preserved. The ratio of the cumulated capital flight to external debt in 1982 for all the countries averaged around 30 percent – *implying that for every one US dollar that had been lent to the countries as a group, some 30 cents came out.*

Somewhat more direct evidence can be obtained by examining data on deposits by private entities other than banks of the major debtor countries in foreign banks in major industrial countries (Table 2). While these data are a useful indicator it

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should be recognized that they may underestimate capital flight since they exclude investments made by residents of developing countries in real estate, stocks, bonds, and business ventures in industrial countries. They also do not capture any "arms length" transactions, where the deposit of a nonresident is held in the name of a resident. Despite these restrictions, at end-1984 demand and time deposits of private nonbank residents of the eight high-debt countries amounted to nearly $47 billion, that is about 12 percent of their foreign debt of $381 billion, compared with deposits of less than $7 billion in 1974.

On the basis of the data shown in Tables 1 and 2, it would be fair to conclude that capital flight, irrespective of how exactly it is defined and measured, was indeed significant for most of the major debtor countries during the past decade. The concerns voiced about this problem are, therefore, apparently justified.

Why Capital Flight?

A variety of often related factors lead to capital flight. Some can be attributed to government policies in the countries losing capital, while others are outside official control.

Overvaluation of the exchange rate. There is a consensus that one of the principal causes of capital flight is the likelihood of a change in the exchange rate. Other things being equal, an expected depreciation of the domestic currency, for whatever reason, would cause residents to switch out of domestic assets into foreign assets. While it is difficult to measure exchange rate expectations precisely, it is reasonable to assume that if the current real exchange rate is viewed as overvalued then it is likely that the currency would be devalued at some point in the future. In such circumstances, residents would try to avoid the potential capital loss by converting domestic wealth into foreign claims. It has been empirically established by several studies that the overvaluation of the real exchange rate did play a significant role in the flight of capital from major debtor countries.

Financial sector constraints. In a number of developing countries there are extensive controls on interest rates and other aspects of the financial market. Often these practices result in nominal interest rates that are below the rates on

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comparable foreign financial instruments as well as in negative real rates of interest. Clearly in such situations it is rational for the domestic investor to seek out foreign assets that yield higher returns.

Fiscal deficits. With only one or two exceptions, capital flight from major debtor countries was associated with growing fiscal deficits. A widening fiscal deficit financed by printing money creates inflationary pressures. This provides an incentive for residents to reduce their domestic money balances to avoid an erosion of the value of these assets by inflation. The purchase of foreign assets is one way of avoiding this "inflation tax." Even if fiscal deficits are financed through the sale of bonds or external borrowing, domestic residents may expect that at some point in the future the government would have to either monetize the debt (by printing more money) or impose additional taxes to pay it off. This expectation would also encourage residents to reduce their potential tax liabilities by moving assets outside the control of domestic authorities.

Risk factor. It can be argued that there is a relatively larger perceived risk associated with investments in developing countries than with investments in developed countries, and that this difference in relative risks stems from the characteristics of developing countries that distinguish them from the developed economies. Whereas most industrial countries have well-established political systems with constitutional arrangements that provide for an institutional infrastructure that is conducive to saving and investing, developing countries may be lacking in this respect. This type of reasoning has led to the 'safe haven' theory of capital movements. That is, industrial countries, and particularly the United States, can be regarded as safe havens for capital fleeing riskier national environments, even though rates of return may well be higher in the developing countries.

External incentives. While almost all the attention in discussions of capital flow has been on the so-called disincentives in developing countries against holding funds at home as elaborated above, there are, at the same time, incentives in the recipient industrial countries that encourage capital flow from the developing world. These include, for example, the provision of almost risk-free bearer bonds and certificates yielding market interest rates, deposit insurance, which is an attractive subsidy

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provided to nonresident investors, and the absence of withholding taxes on certain types of nonresident claims (including certificates of deposit) in the banking system. In certain countries, secrecy about bank accounts also facilitates illegal transactions and tax evasion. These factors play a significant role in inducing capital to move from developing countries.

Consequences

Capital flight has short-run and long-run effects that can create serious economic problems for the domestic authorities.

Short-run effects. A sudden increase in the outflow of capital can have destabilizing effects on domestic interest rates, exchange rates, and the country's international reserves position. The outflow creates a shortage of liquidity in the system, which in turn pushes interest rates higher. The capital outflow would also tend to depreciate the domestic currency under a floating exchange rate regime. On the other hand, if the government is committed to defending a particular exchange rate, it depletes its reserves. In either case, capital flight causes short-run adjustment problems for the authorities. Further, when a country is facing a balance of payments crisis, or is heading towards one, and immediate corrective action is not taken, residents of the country, foreseeing the possibilities of increasing inflation of exchange contols, and so on are likely to increase transfers abroad. Thus at the very time that increased inflows are required by the government capital flight ends up exacerbating the crisis.

Long-run effects. If capital flight is permanent, that is, the resources are lost by the home country, then there are several long-term effects on the economy. First, there is a reduction in available resources to finance domestic investment, leading to a decline in the rate of capital formation, and adversely affecting the country's growth rate. Second, capital flight reduces the government's ability to tax all the income of its residents because governments experience difficulty in taxing wealth held abroad as well as income that is generated from that wealth. Capital flight thus reduces government revenues and the ability to service external public debt. Third, as government revenues fall with the erosion of the tax base, there is an increased need to borrow from abroad, thereby increasing the foreign debt burden.

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Policy Aspects

What policy options are available to governments to prevent or at least stem capital flight, and what actions can be taken to generate a possible reflow? Obviously, providing a stable financial and macroeconomic environment would go a long way towards reducing domestic uncertainty and arresting capital flight. From a cursory examination of the experiences of the major debtor countries it is clear that capital flight was most pronounced in countries that had relatively higher and more variable rates of inflation, larger fiscal deficits, and generally overvalued currencies. Adopting sound macroeconomic policies with the appropriate exchange rate and interest rates would seem to be a key element in reducing resource transfers abroad and the attendant problems this phenomenon creates for capital scarce economies.

It might also be useful for countries to provide securities (as some do) that are competitive, and to create a wider menu of domestic financial assets for local investors. Guarantees to investors in the event of government expropriation or imposition of exchange controls are other possibilities. The imposition of controls on the movement of capital to foreign centers is another policy that has been mentioned often as a counter to capital flight. There is evidence that capital flight in a number of countries was slowed to some extent by the degree of capital controls, but this evidence is by no means conclusive. Further, it is well known that controls are generally effective only in the short run and tend not only to be circumvented in the long run but also often to create serious distortions and inefficiencies while they are in effect. By and large, capital controls are not a viable substitute for a strategy designed to correct the underlying disequilibria in the economy that give rise to capital outflows.

Of course, it is highly unlikely that a government will be able to prevent all private capital outflows even in the best of circumstances, since many of the causes are well beyond its control. What authorities can to is to try and change existing incentives in the economy to minimize the amount of capital flight as well as to attract capital from abroad, and thus direct more resources, both domestic and foreign, toward expanding the productive base of the economy.

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FOOTNOTE

(1) Morgan Guaranty Trust Company, *World Financial Markets*, February 1986.

This topic has been treated at greater length by the authors in an article published in Volume 24 Number 1 of *Finance and Development* entitled "Capital Flight from Developing Countries."

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THE IMPACT OF CHANGING ENVIRONMENTS AND POLITICAL ORIENTATIONS UPON PRICE FLUCTUATIONS IN ISRAEL

By Baruch Mevorach and Hana Ofek

The purpose of this article is to explain the variation in the Consumer Price Index (CPI) in Israel. It is assumed that such variation may be accounted for by changes in both the international environment and the responses by political authorities.

We examine the relationship between the focal organization and its environment under turbulent conditions vis-a-vis placid-randomized conditions. We take the nation-state as the focal organization and the international arena as the external environment.

Our analysis suggests that a comprehensive understanding of an organizational-environmental relationship requires an analysis of the factors that mediate between the external environment and the focal organization. These mediating factors act as additional operative forces upon the focal organization, moderating or intensifying the effect the environment exerts upon the focal organization.

The results show that Socialist political control of the economy brings about weaker ties between the international economic environment and CPI changes in Israel. Capitalist political control of the economy results in a tight relationship between the internal scene and CPI changes.

A Brief Historical Background

Israel's economy is characterized by its ability to achieve fast growth rates, to quickly move into high technology fields, and to adapt to changing conditions and environments. At the same time, the Israeli economy suffers from an increasing deficit due to growing imports mostly military, as compared to exports. This continuous situation is a result of enormous defense spending, the lack of natural resources, and inflationary pressures. Capital has constantly flowed into Israel in the form of gifts from world Jewry, grants and loans from the U.S. government, international credit and heavy borrowing. In general, the major sources of financing from abroad (i.e. the

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external environment) are:

1. Unilateral transfers, or grant money, which Israel does not have to repay to the donor country;
2. Loans of various repayment lengths, with short-term loans being, in general, more expensive than long-term loans.

The Diagram 1 (adapted from *The Israeli Economist*, October 1987, p. 25) presents the historical development of grants and loans made by the U.S. government to Israel. The grant portion of the U.S. government aid to Israel jumped to a higher level in 1973.

The massive increase in oil prices in 1973, pursuant to the Yom Kippur war, led thereafter to a weakening of the world economy. Israel too could not escape the severe consequences of the first oil crisis: a significant worsening of the balance of payments and annual rates of inflation in excess of 50 percent.

As a result of the steep rise in import prices – particularly those of fuel and oil products, – severe inflation has developed, in addition to the demand inflation which had existed before the war.

Consumer Price Changes in Israel ranged from a 0% change in 1948 to a staggering hyper-inflation of 444.9% in 1984. Between the years 1955-1965 inflation rates averaged 5.6%; between 1966-1973, an 8% average; and between 1974-1979 – 44.6%. Three digit inflation first occurred in 1979, following a second upsurge in OPEC oil prices, during that same year.

The Israeli economy grew at a rapid rate of 10 percent average annual growth up until 1973. After 1973, and as a result of the Yom Kippur War and the world economic recession of the 1970s, economic growth slowed down. In 1978 it had reached a 5 percent growth level, but by 1982 it had fallen to a -0.4 percent growth rate!

Under such circumstances, international influences become crucial, yet not necessarily deterministic. Despite the fact that Israel is a small focal organization, in organizational theory terms, political factors at the national/governmental level play an important role in affecting the Israeli Consumer Price Index.

With household maintenance expenses and transportation expenses comprising together about 20 percent of the Consumer Price Index change calculation, the political manipulation of Consumer Price Index changes can be better clarified.

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The Israeli government fully controls the timing and extent of price changes of oil products, the major component in household maintenance and transportation expenses. In Israel, the oil products market is not a competitive, laissez-faire market. Price changes are determined at the Energy Ministry level and implemented by three monopolistic firms: "Delek," "Paz," and "Sonol." Free entry into the market is not allowed and the proportional share of the market, held by each of the three firms is kept more or less at constant levels.

The government and the Energy Ministry can and in effect do manipulate the timing and level of price changes according to their needs. Although Israel is an almost "pure" oil importer, price changes consequently do not automatically follow world or OPEC price changes. The Labor government, as we prove later on, was quite hesitant in translating world price changes.

The cost of keeping oil product' prices unchanged, in light of world changes in oil prices, is borne by the national budget. It falls under the budgetary category of subsidized items and in years of sharp increases might come at the expense of other, more basic, subsidized products. The government thus need not feel pressured to remove price protection as long as the public does not protest against decreased price protection in other areas.

The Left-Right continuum we utilize hereafter is based on intervention orientation versus non-intervention orientation on social and economic issues. The Labor party takes the Left extreme owing to its ideologically interventionist claims and, to a lesser degree, derived manipulations of the economy. The Likud party takes the Right extreme due to its "laissez-faire" ideology. The use of the terms Left and Right in this paper is unique to the Israeli context only, since around the world some Right regimes have not been laissez-faire. Indeed, the laissez-faire attitude of contemporary rightists in Britain (as also in the U.S.A.) is really due to the conversion of the modern "Tories" to the liberalism of their rivals, the 'Whigs" of the last century.

Theoretical Background

Many leading organizational theorists have advocated an open systems approach to the study of organizations.(1) In essence, this approach calls for an investigation of the organiza-

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tional-environmental relationship. In this respect, Astley and Van de Ven(2) make the important distinction between a deterministic orientation and a voluntaristic orientation ('strategic choice') concerning the organizational-environmental relationship. The deterministic approach assumes that the environment exerts an encompassing influence on the organization. Alternatively, the strategic choice approach assumes that the relationship between the organization and its environment is interdependent.

Although the above two approaches would appear to represent diverse views, they share an open systems perspective.(3) This perspective asserts that an organization "tends toward a state of dynamic equilibrium with its environment through the continuous exchange of materials, data and energy. Both the system and its environment can affect this process of exchange and transformation, suggesting their independence and the importance of their interactive effects."(4) We shall examine the environmental determinism approach and the organizational choice approach in further detail with the intent of synthesizing the two.

Emery and Trist's conception(5) of the causal texture of organizational environments (to be discussed later on), was based on the conceptualizing of the focal organization as an open system. They thus developed a four-fold typology of environments. However, in order to simplify the analysis we have chosen to employ only the two extreme types, the placid-randomized and the turbulent environments.

For operationalization and measurement purposes, we propose that a distinction should be made between endogenous and exogenous system characteristics. The former refers to all factors and components that comprise the focal organization; the latter to the effects of the environment upon the focal organization. In this respect we adopt Duncan's distinction(6) between internal and external environments. The internal environment refers to all the forces operating within the organization itself. The external environment refers to all elements outside the organization. Each of the components comprising the environment, both internal and external, can be treated as a stimulus to which the focal organization is exposed. These stimuli, either individually or in conjunction with other components, elicit or affect the actions undertaken by the focal organization. In our work we refer to the above mentioned

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internal and external environment as exogenous determinants.

Hereafter we consider the focal organization as the endogenous unit of analysis and this will be applied to the proposed model following. We borrow the organization-environment framework for the analysis of the behavior of nation-states vis-a-vis the international arena. This follows Palumbo's statement that:

> The blurring of the distinction between public and private organization and the application of the same analytical model to all organizations constitute one of the more fruitful developments in organization theory.(7)

The nation-state is composed of two elements: 1) the focal unit — the domestic economy (as manifested by price changes will serve as our finite endogenous factor); and, 2) the internal environment — the administration, as a part of the exogenous determinants to be analyzed later on. The external environment i.e. the international arena, is the complementary portion of the exogenous determinants.

We suggest a more comprehensive generalization in comparing states to organizations, both private and public. States as well as corporate conglomerates are considered as major forces influencing the international arena.

Hypothetically, the administration may respond in two extreme manners. First, there may be a move towards greater intervention in order to insulate the economy from the effects of environmental changes. A second possibility is less intervention, creating greater correspondence between changes in the environment and changes domestically.

Such policy responses have been most famously associated with different political parties. For example, Tufte demonstrates the importance of such political alternatives:

> Political parties differ on what they consider desirable economic policy. Parties of the Right favor low rates of taxation and inflation along with modest and balanced government budget, oppose income equalization, and will trade greater unemployment for less inflation most of the time. Parties of the Left, in contrast, favor income equalization and lower unemployment, larger government budgets, and will accept increased rates of inflation in order to reduce unemployment. Such differences between Left and Right appear in country after country.(8)

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Tufte's analysis of Democratic and Republican platforms of 1976 demonstrated that American parties differ more on economic issues than on any other issue. An examination of the "size and cost of national government" reveals that Democrats made significantly fewer pledges than did Republicans in matters concerning federal spending and government spending; the size and cost of government, deficit spending, balanced budget; taxes and the role of the private sector. Downs suggested that such partisan differences on economic issues may be highly important as "political parties tend to carry out as many of their promises as they can whenever they are elected."(9)

Cameron(10) examined the relationship between the growth of the public sector and the proportion of leftist political parties holding a majority of the government's electoral base in small capitalistic democracies during the 1960-74 period. His findings are that extended governmental control by the Left leads to greater expansion of the public sector. Cowart(11) provides further evidence for the intervention hypothesis. He concludes that:

> . . . governments of the Left appear to have taken more dramatic action in responding to domestic economic change . . . . The response of governments of the Right in the systems is simply more muted in most cases.(41)

Hypotheses and Method

The above theoretical approach may help analyse the changing relationship between Israel's economy and the international economy. It is assumed that Consumer Price Index (CPI) variation in Israel may be accounted for by changes in world oil prices, the American economy (CPI changes), and American assistance to Israel (the external environment determinants). These external factors are not determinative, but are also a product, for the most part, of responses and actions by the administration (the internal environment determinant).

The first hypothesis is that under turbulent environmental conditions (as termed by Emery and Trist, 1965), different political orientations will bring about different changes in the CPI. This may be stated in the following way. Left wing coalitions are more interventionist. The Left is more willing to intervene in the economy and insulate the individual from environmental changes. Thus, a reasonable argument is that

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Leftist management of the economy will demonstrate a weaker relationship between environmental fluctuations and the direction of the economy as represented by CPI. Because the Right wing articulates a "laissez-faire" ideology, these officials are less likely to buffer the domestic economy from external forces. Alternatively, Right wing economic management will result in stronger ties between environmental characteristics and the internal economy.

A second hypothesis is that at the opposite extreme, in a placid-randomized environment,(12) the above intervention orientation will hold. Political considerations on the part of Leftists will bring about weaker ties between the improving environment, the internal economy, and CPI changes. It can be assumed that Leftists reserve resources for potential stormy situations in the future, while Rightists, in an attempt to avoid intervention, are expected to allow a "spill-over" of the improving environment upon the individual consumer.

In summary, the above two hypotheses refer to the consequences of turbulent and placid randomized environments upon changes in the economy. It was suggested that under the different conditions, the extent to which the external determinants exert their impact upon the internal economy varies according to the political orientation of the ruling coalition. Leftist political parties will attempt to block the impact of external environments, to ease an external blow or prepare for worse economic conditions in the future. Rightists allow the external environment to 'spill-over' and exert its full effect upon the economy in both turbulent and placid randomized environments.

Although the above analysis suggested a two-cell typology, the inclusion of consumers' interests expands the typology to a two-by-two form. It is hypothesized that under Leftists the CPI is weakly correlated with external conditions. In a turbulent environment the consumers interests are protected and consequently this leads to relatively lower CPI levels. In a placid randomized environment the consumers' interests are overlooked as government intervention comes between the improving world conditions and the individual consumer. Thus, the individual consumer does not fully benefit from decreasing or unchanging world oil prices.

For Rightists the CPI is closely correlated with external con-

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ditions. In a turbulent environment the consumers' interests are neglected and this results in relatively higher CPI levels. In a placid randomized environment the consumers' interests are maintained and the consumers benefit from improving world conditions.

The following table illustrates the two-fold typology mentioned above:

TABLE 1

The State of the Environment, Political Orientation, and CPI Ties with the Environment

Political Orientation / State of the Environment	Left-Wing (maximal intervention)	Right-Wing (minimal intervention)
Turbulent	1. Weaker ties; Consumer benefits.	2. Stronger ties; Consumer losses.
Placid-Randomized	3. Weaker ties; Consumer losses.	4. Stronger ties; Consumer benefits.

Individual hypotheses concerning the effect of individual exogenous variables upon CPI changes in Israel are not presented in this section. The way each exogenous variable effects the endogenous price variable will be discussed later in the findings section. As manifested above, we are interested mainly with the discriminative-ideological hypothesis and with the conditions leading to the isolation/exposure of the domestic economy to or from its relevant environment.

The method applied allows the inquiry of both partisan efficiency differences in the price field, and partisan differences in bringing to bear/blocking environmental changes. The efficiency inquiry takes the form of an intercept examination in a multiple regression equation for the combined ideologies. A partisan differences inquiry, regarding environmental influences, takes the form of a slope examination where each party, via interaction operationalization, manifests different slopes for

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each of the endogenous environment variables. American aid to Israel, as an example, gets two slope representations, through the use of the partisan interaction operationalization.

The method described above overcomes sample shortcomings due to a split sample that would otherwise take into account different partisan CPI models. The conduct of such an inquiry would be almost impossible due to the short life of the Likud's term in office in Israel.

We analyzed the Israeli CPI inflation rates for a period of three and a half decades between the years 1952 and 1986.

The Findings

The findings support the interaction hypothesis presented above. Leftist political control of the economy brings about weaker ties between the environment and inflation rates in Israel. Rightist political control of the economy results in a tight relationship between the external environment and CPI changes.

In the following Table 2, a satisfactory reproduction equation for CPI changes is provided by the interaction model.

A similar test examined the restriction that all LABOR or LIKUD interactions have zero coefficients, and confirmed the previously mentioned hypothesis: the environment does not significantly effect the Israeli economy while under Labor control, but it is highly significant during the Likud term of office. The 'summarize" test performed on "RATS" (Regression Analysis of Time Series, Doan and Litterman, 1984) results are provided in Table 3.

Table Three clearly indicates that the cumulative effect of Labor interactions upon CPI changes in Israel is insignificant. Likud interactions, on the other hand, prove significant in the effect they exert upon CPI changes in Israel.

The discriminative hypothesis pertaining to the differential impact party of ideology upon CPI changes has thus been confirmed. Leftist ideology comes between the external environment and the internal economy. This prevents the direct and immediate spill-over of world conditions upon the domestic economy, as manifested in price changes. Rightist ideology allows a complete spill-over of the external environment into the internal economy, thus affecting CPI changes.

Of lesser importance, yet of interest, is the partial correla-

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Table 2- ENVIRONMENTAL FACTORS, POLITICAL IDEOLOGY, AND CPI CHANGES IN ISRAEL[1].

INDEPENDENT VARIABLE	B-COEFFICIENT	T-VALUE
CONSTANT	7.87	0.83
PARTY	80.41	2.68
LABOR*OIL	2.00	0.55
LABOR*AID	- 0.01	-0.47
LABOR*INUS	0.02	0.24
LIKUD*OIL	7.34	5.99
LIKUD*AID	0.04	3.34
LIKUD*INUS	-25.01	-5.88
ADJUSTED R-SQUARE=.81	D.W.=2.60[2]	

1. where:

   PARTY (LIKUD)- LABOR=0; LIKUD=1;

   LABOR- LABOR=1; LIKUD=0;

   OIL- oil prices, dollars per barrel;

   AID- total American assistance to Israel, in millions of dolla

   INUS- American CPI inflation.

2. The D.W. falls within the inconclusive region. The equation was not corrected via a Cochrane Orcutt GLS method for two reasons:

   a. The error term was insignificantly correlated with its past values.

   b. The Cochrane Orcutt filtering method has kept the D.W. at its previous value.

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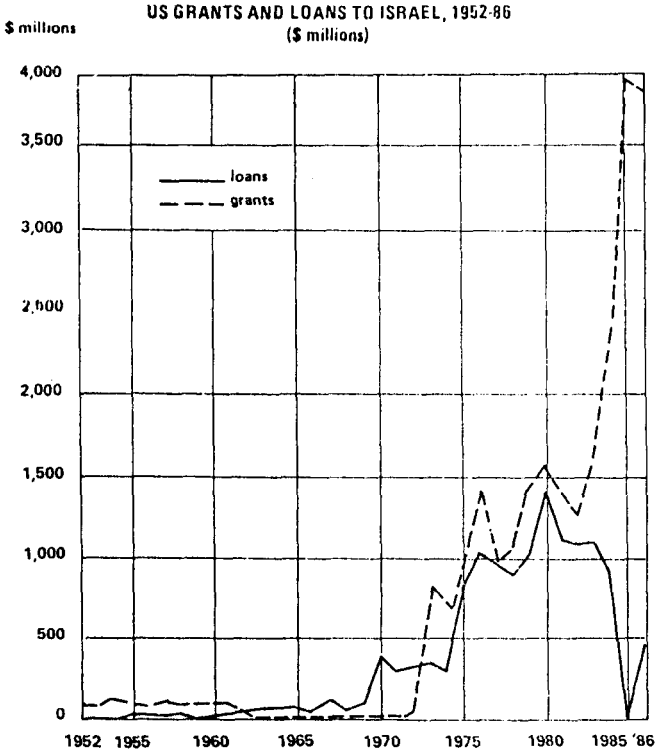
DIAGRAM 1:

US GRANTS AND LOANS TO ISRAEL, 1952-86
($ millions)



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tion of the exogenous variables with Israeli inflation rates. We discuss here only the significant partial correlations, appearing in the equation presented in Table Two.

The political Right orientation (i.e. the Likud Party) proves ineffective in the inflation field. This finding is at odds with other research findings, which exemplify a Rightist superiority concerning the influence over price changes (Hibbs, 1977). Likud years result in an average yearly upsurge of 80.4% in CPI changes compared to the Left (Labor) period. The reason for Rightist ineffectiveness might be trade union (Histadrut) militancy under the Likud government leading to more frequent wage demands.

Oil prices, under Likud years, exert a positive impact upon CPI changes in Israel. This finding is in accordance with similar research done in the United States.(13)

American aid to Israel correlates positively with CPI changes in Israel. Again, this finding is in accordance with prior research regarding the negative impact of international forces upon Israel's domestic economy.(14)

American inflation, under Likud years, correlates negatively with CPI changes in Israel. This finding is also at odds with related research(15) concerning unemployment spill-over from the world economy into the domestic economy. On this point a plausible reason is that a positive correlation exists between the world demand for labor and the domestic economy demand for labor (an upswing in the world economy creates a domestic demand for labor). In explaining the negative correlation above we resort to a problematic causality between exogenous variables in our model, namely the probable negative effect of American inflation upon American aid to Israel and thereafter the partial correlation between American aid and Israeli inflation.

Summary and Conclusions

A comprehensive understanding of an organizational action requires the incorporation of environmental influences. The smaller the focal organization, the larger the impact external organization might exert upon it. External environmental influences are mediated through political determinants at the national/governmental level.

States are to be viewed as organizations as far as organiza-

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tional theory is concerned. The basic components of organizational theory, namely external and internal environments, and the focal organization, correspond easily with the components of the international arena; national government, governing ideology, and consumers are a finite focal organization comprised of individual endogenous units.

Strategic choice thinking best represents state decision-making in non-violent settings. The economic setting described above serves as an example. Even the smaller states have, to a degree, what is referred to as "political autonomy"(16) in their relationships vis-a-vis the international arena.

Interventionist economic ideology comes between the external environment and the focal organization and this provides for a strong domestic impact upon economic phenomenon. A trade-off is thus suggested, one in which international forces ought to be replaced by domestic political and economic determinants in order to fill a vacuum created by Leftist government control. During such period there is little direct external impact upon the domestic economy.(17)

Given other work on the Israeli economy, one might find the Rightist inefficiency in curbing inflation, coupled with its commitment to employment somewhat strange. Rightist intervention ideology, this paper suggests, accords with common wisdom; Rightist achievement of classic conservative economic objectives falls far short of main-stream political economics literature. Here we must consider the influence of the Israeli electorate in trying to explain such discrepancies . We pose for further investigation the hypothesis that Israeli electorate idiosyncrasy accounts for the changing economic objectives and the traces of intervention ideology to be found in the economic policies of the Israeli Right.

FOOTNOTES

(1) See, for example, Ludwig, Von Bertlanffy, *General Systems Theory* (New York: George Braziller, 1968); David Easton, "An Approach to the Analysis of Political Systems," *World Politics*, Vol. 9 (April 1957), 383-400; Fremont, E. Kast and James E. Rosenzweig, *Organizations and Management: A Systems and Contingency Approach*, 4th edition (New York: McGraw-Hill Series in Management, 1985); D. Katz and R.L. Kahn, *The Social Psychology of Organizations* (New York: Wiley, 1966).

(2) Astley, W. Graham and Andrew H. Van de Ven, "Central Perspectives and Debates in Organization Theory," *Administrative Science Quarterly*, 28 (June 1983), 245-273.

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Table 3- SUMMARY OF LINEAR COMBINATION OF COEFFICIENTS.

Labor Interactions			
VALUE	T-STATISTIC	STANDARD ERROR	SIGNIFICANCE LEVEL
2.019	0.559	3.606	0.580

Likud Interactions			
VALUE	T-STATISTIC	STANDARD ERROR	SIGNIFICANCE LEVEL
-17.626	-4.378	4.025	0.000

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(3) The open-systems approach has been used to explain both the spread of innovations in organizations and the importance of transforming economic resources into political resources. Organizational transactions within a given environment constitute a set of bounds worthy of theoretical consideration. See, James G. Miller, "Living Systems: Basic Concepts," *Behavioral Sciences*, 10 (1965), 193-237; Ludwig, Von Bertlanffy, *General Systems Theory* (New York: George Braziller, 1968).

(4) Herebiniak, Lawrence G. and William F. Joyce, "Organizational Adaption, Strategic Choice and Environmental Determinism," *Administrative Science Quarterly*, 30 (September 1985), p. 338.

(5) For a more detailed discussion of the causal texture of organizational environments see: F. E. Emery and E. L. Trist, "The Causal Texture of Organizational Environments," *Human Relations*, 18 (February 1965), 21-32.

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(8) Tufte, E. *Political Control of the Economy* (Princeton University Press, 1978), 71-75 (the citation, p. 71).

(9) Downs, A. *An Economic Theory of Democracy* (New York: Harper and Bros., 1957), p. 300.

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(11) Cowart, A. T. "The Economic Policies of European Governments: Part 1, Monetary Policy," paper delivered at the annual meeting of the American Political Science Association, September 1976, p. 41.

(12) According to Emery and Trist's typology (1965).

(13) Mevorach, Baruch, *Politics, Economics, and American Macroeconomic Outcomes — The Cases of Post-War Inflation and Unemployment*, unpublished Ph.D. dissertation, University of Minnesota, 1985.

(14) Mevorach, Baruch "On the Local Impact of Political and Economic International Forces," *The Economic Quarterly*, 132 July 1987, 71-79 (in Hebrew).

(15) See for example James E. Alt, "Political Parties, World Demand and Unemployment," *American Political Science Review*, 79 (December 1985), 1016-1040.

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(17) Mevorach, Baruch, "Unemployment — Economic and Political Determinants," *The Economic Quarterly*, forthcoming (in Hebrew).

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2. World Oil Prices — The Israeli Oil Institute, Ramat Aviv, Israel.
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4. Consumer Price Index Changes in the U.S.A. — The Economic Report of the President, January 1987, Table B-55, p. 307.

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JACKSON, FULBRIGHT AND THE SENATORIAL CRITIQUE OF DÉTENTE

By Gary Bullert

During the last twenty years, three major figures who pivotally influenced the conduct of American foreign policy are Senator J. William Fulbright, Senator Henry Jackson, and Secretary of State Henry Kissinger. They advocated conflicting synoptic approaches to foreign policy which collided over the merits of détente. Regardless of the terminology employed, these three perspectives still provide the locus for the current debate over American foreign policy. As chairman of the Senate Foreign Relations Committee until 1974, Fulbright skillfully utilized his strategic position in order to orchestrate opposition to the Vietnam War. In addition to providing a respected alternative voice for the media, Fulbright authored best-selling books, ie. *The Arrogance of Power* (1966) and *The Crippled Giant* (1972). He was both a product of and a spokesman for the adversarial journalistic-academic community. Senator Jackson was voted 'the most influential Senator' by his colleagues. He served as chairman of the Senate Arms Services Subcommittee on Arms Control which offered a forum for attacks on détente. Jackson's influence also centered within the defense bureaucracy in Washington D.C. His foreign policy outlook exerted a potent influence during the Reagan Administration, particularly through his former associates, Jeanne Kirkpatrick and Richard Perle. In his memoirs, Kissinger acknowledged how formidable an opponent Jackson proved to be. As one of the few survivors of Watergate, a testimony to his considerable political skills, Kissinger is credited with fashioning a novel approach to American foreign policy appropriate to its inevitable role as as imperial power.

While both Fulbright and Jackson were Democrats who coexisted in the Senate for over twenty years, their backgrounds and political outlooks spurred repeated clashes. Fulbright was a Southerner who defended segregation; Jackson staunchly supported the Civil Rights movement and organized labor. Fulbright remained a relentless critic of Israeli foreign policy while Jackson was one of its most ardent champions. On the Vietnam War, SALT I., various military appropriations, human rights

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policy, Soviet trade, and the viability of the United Nations, Jackson and Fulbright were bitter rivals. Fulbright called him 'the Senator from Boeing' in a Senatorial debate. Both were insulated from serious electoral challenges for most of their careers which enabled them to exercise candor on divisive foreign policy issues. Jackson's outspokenesss was tempered only by his aborted efforts to win the Democratic Presidential nomination in 1972 and 1976. However, the Democratic Party had been captured by leftist activists for whom Jackson's foreign policy was extremely unpalatable.

I

On September 19 1974, Secretary of State Kissinger appeared before the Senate Foreign Relations Committee and formulated his most detailed explanation of detente. He acknowledged that there existed "profound differences with the Soviet Union — in our values, our methods, our visions of the future."These differences required simultaneously maintaining a strong national defense and an imperative need to develop a more constructive relationship with the Soviet Union. The Cold War era of competition must be replaced by cooperation. To pursue peace exclusively would lead to strategic surrender while unrestrained rivalry would result in nuclear holocaust. Kissinger endeavored to waylay opponents of détente by posturing his policy as the only realistic alternative to these unacceptable options.

American efforts should be directed at encouraging a relaxation of tensions with the Soviet Union through a "carrot and stick" approach. The Soviet Union could be incorporated into a new international order which promoted stability and mutual restraint, accepting the Soviet Union as a status quo power. The inducements would consist of cooperation in science and technology, opening up trade on a most favored nation basis, limiting strategic weapons competition, adopting treaties legitimating Soviet control over Eastern Europe, and ceasing to exercise pressure diplomatically or ideological criticism of the internal policies of the Soviet Union. Kissinger held that détente was "indivisible" and that the Soviet Union should be judged by its external political conduct. If it initiated a threatening build-up of its military capacity, engaged in fomenting crises by sponsoring wars of national liberation, sought to undermine the

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Western alliance system, and violated the process of détente in spirit or letter, then the United States must respond with "firmness." Kissinger insisted that, "exploitation of crisis situations for unilateral gain is not acceptable."(2) Through a process of negotiation, the causes of international crisis could be resolved in a spirit of cooperation.

Though the protracted process of détente ought not to be judged exclusively upon its immediate successes, Kissinger defended its accomplishments. Major progress has been evidenced by: 1) the 1971 Quadripartite Agreement over Berlin, 2) negotiatiations through the European Conference on Security and Cooperation, 3) the 'honourable termination' of the Vietnam War, 4) strengthening of the American alliance system by removing fears that friendship with the United States involved confrontation with the Soviet Union, 5) containment of incipient crises, lessening the level of conflict in comparison to the 50's and 60's, 6) SALT I. limitations on the arms race, and 7) cooperation on the issues of global interdependence – science and technology, environment, and energy.(3) Kissinger strove to justify détente on factual substance and not atmospherics.

Crucial to the effective implementation of détente was the relative insulation of foreign policy from popular pressure and congressional scrutiny. This typified Nixon's managerial style as President. State relations must be conducted privately, even secretively, and Kissinger continously demanded a free-hand in the implementation of foreign policy, unshackled as well by the State Department bureaucracy. By conducting the Nixon foreign policy as National Security Advisor, Kissinger was protected from congressional inquiry. Nixon's "prime time" initiatives to the Soviet Union and China can be understood as an effort to implement a foreign policy without a popular consensus. This style of diplomacy kept critics off balance, gained the media spotlight, and reinforced the notion that faith and trust should be afforded the Administration in operating foreign policy. Vigorous autonomous leadership was mandated in order to maintain a strong national defense when the relaxation of tensions would incline democratic peoples irresistibly toward a slackening of vigilance. A precondition for successful detente requires a freedom of operation above the untutored, simplistic moralisms of American public opinion.

Fulbright deemed détente to be a significant advance over

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the crusading ideological anti-communism of the cold war. The Nixon-Kissinger practice of traditional balance of power politics contained both virtues and defects. Its virtue resided in internal coherence and rationality while its defect lay in its premises: a preference for 'process over purpose' and for 'power over people.'(4) Having the United States serve as enforcer of the balance was utterly alien to its national experience. Balance of power geopolitics remained inherently fragile; no more durable than the statesmen who practiced it. When manipulated by shrewd leaders, like Metternick and Bismarck, it could preserve order temporarily. Lasting peace required a system of laws, not men. Fulbright endorsed the old internationalism of Wilson and Franklin Roosevelt which deliberately repudiated power politics and sought world peace through an international organization, like the United Nations. However, Fulbright denuded this old internationalism of any allusions to the democratic universalism which animated Wilson and Roosevelt.

Balance of power politics remain fundamentally amoral because they prioritized mere survival and reduced international relations to a ceaseless struggle for power. By backing the weaker party in conflicts despite the merits of the issue, for example, the United States support for West Pakistan against the Bengalis in 1971, questions of humanity and justice assumed a secondary significance.(5) President Nixon declared that America must accept the responsibilities of a super power in the modern world. Fulbright observed that this mentality typified what Herbert Marcuse described as "totalitarianism of the established fact."(6) Young Americans were appalled during the 60's by this purposeless, deterministic philosophy of power politics. Fulbright attributed this antiseptic, dehumanized rationality to the barbarism of the Vietnam War and the sickness of American society domestically. He claimed that a preoccupation with warfare and power politics over an extended period of time would estrange America from its democratic ideals and result in dictatorship.(7) He identified some fatal symptons in Nixon's "imperial presidency." Its usurpation of congressional powers in foreign affairs and denial of access to Kissinger as policy advisor exemplified this executive dictatorship. Fulbright sought nothing less than a qualitative transformation of international politics which would supplant national sovereignty by world government.

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Jackson defined "détente" as the "relaxation of tensions accompanied by the effort to achieve mutual accommodation through the negotiation process."(8) This approach was plausible but must be judged on its substantive results and actual Soviet behavior. Jackson could detect scant evidence that genuine détente was manifested by Kissinger's foreign policy. He described Kissinger's détente as "a body without a soul — a policy indifferent to human rights."(9) Foreign policy must incarnate America's democratic and humanitarian heritage — human rights should figure in the daily calculus of policy-makers and also in the negotiation process. Authentic peace necessitated a moral consensus founded on respect for the individual. Human rights provided an inalienable standard for distinguishing between communist regimes and free democratic governments. Kissinger's silence on the nature of Soviet politics was epitomized by the fact that not once did he mention "communism" in his discussion of Soviet détente before the Senate Foreign Relations Committee. By stifling criticism of the Soviet regime, détente sanctioned the rulers of the Soviet Union, rendered communist propaganda more effective, and weakened the resolve of the West to resist Soviet imperialism. During a Senate debate on Soviet policy, Jackson introduced a character profile of the eleven-man Politburo. (10) This action outraged Fulbright, who accused Jackson of opposing all negotiations with the Soviet Union. Jackson, responded that, like any prudent businessman, the United States should understand the character of those with whom we are negotiating. He deemed Soviet imperialism to the the major foreign policy problem confronting the United States.

Like Fulbright, Jackson criticized the "obsessive secrecy" and private diplomacy of the Nixon-Kissinger approach. A successful foreign policy required cooperation between Congress and the Executive, an impossibility when essential information was withheld and prior consultation denied.(11) By managing a foreign policy grounded in secret ageements, the Administration courted a disaster. While undermining democratic processes, secret agreements were tenuous since they were without the consent of Congress, they undermined confidence in government leaders, and distorted public debate. Unlike Fulbright, Jackson charged that the exercise of détente effected a cover-up of malignant facts regarding Soviet activities. This refusal to acknowledge facts about Soviet treaty violations,

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sponsorship of international terrorism and war, espionage, military expansion, and internal repression of dissidents, fabricated a deceptive, ethereal, and potentially deadly atmosphere surrounding détente. Jackson charged Kissinger with replacing a realist approach with one cultivating atmospherics in order to sustain the momentum of détente.

Jackson's objection to Kissinger's approach revolved around conflicting appraisals of the Soviet Union's intrinsic nature, aims, and specific actions. He maintained that, "contrary to the reassuring view of some people, I do not know how to assess the Soviet Union except as an opportunistic, unpredictable, and dangerous opponent — with rapidly expanding military capabilities."(12) He insisted that the shift in correlation of forces in favor of the Soviet Union would prompt it to engage in risk-laden adventurism, fomenting new crises. In 1969, Jackson noted several myths which beset American policy toward the Soviet Union.(13) The first myth argued that the Soviets were on a fixed course toward more peaceful and moderate policies. They were willing to leave their neighbors alone. As witnessed by the invasion of Czechoslovakia and affirmation of the Breshnev Doctrine, the facts spoke to the contrary. The second held that the Soviet leaders were evolving toward a more liberal civil rights policy, while Jackson perceived a war on dissident intellectuals and the refurbishing of Stalin's official image. The third maintained that the United States was fueling the arms race. Jackson argued that the Soviets were first to develop long-range ICBM's, first to test an ABM, first to test a 60 megaton bomb, and first to develop a fractional orbiting bombardment system. This intensive military expansion led some to conclude that the Soviets were striving for strategic superiority. The fourth myth insisted that the only means to resolve conflict was "instant negotiations," as a safe alternative to the risks of the cold war. This notion seemed comforting and convenient but was false since it rested on a misguided notion of negotiations. Pressure was part of the negotiating process, a means to obtain victory through words and not weapons. Jackson was alarmed about the radically different approaches to the negotiating process and how this severely disadvantaged the West. Communism thrives on crises and strove to instigate them as a method of destroying western resolve. In 1961, the 20th Communist Congress adopted an extended strategy of national liberation wars in order to exploit the instability of the under-

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developed world. Nothing in Soviet activities indicated that they had renounced this policy. Jackson argued that American military strength deterred Soviet adventurism though negotiations could proceed in areas where actual interests converged.

Under the sponsorship of his Arms Control committee, Jackson published an 'Evaluation of Détente," written by a group of specialists, including: Lec Labedz, Robert Conquest, Brian Crozier, Bernard Lewis, Richard Pipes, Leonard Shapiro, and Edward Shils. The article contended that the Soviet government's aspirations for détente were to: 1) weaken the Western alliance by making it appear to be unnecessary, indeed dangerous to peace, 2) reduce the pace of the American defense effort and eliminate the American defense presence in Europe, 3) secure from the West financial and technical assistance which would directly enhance Soviet military power, 4) isolate China in order to counter the consequences of hostile confrontation with both East and West, 5) legitimize its domination over Eastern Europe.(14) The net effect would produce a decisive shift in a world balance of power favourable to the Soviet Union with an eroding capacity of the West to safeguard its values and way of life. Leonid Breshnev proclaimed that détente, as indirect warfare during the nuclear age, would actually intensify the struggle between the two systems. No matter how cleverly orchestrated, Jackson viewed détente as a form of struggle which would exploit all of the vulnerabilities of the West.

In 1973, George Arbatov, director of the Institute of United States Studies in Moscow, published a book which succinctly diagnosed Kissinger's détente as a more subtle strategy than direct confrontation, but one which was prompted by the growing weakness in the West. (15) Arbatov then proceeded to delineate the Soviet rules for "peaceful coexistence." These guidelines for Soviet policy were: 1) direct support for wars of national liberation, 2) intensification of ideological warfare, 3) belief that American propaganda is criminal and subversive (therefore, incompatible with peaceful coexistence), 4) support for overseas revolutions against imperialism and defense of the freedom of socialist nations (Breshnev Doctrine), 5) normal good neighbor relations and beneficial cooperation with the West on mutual interests, 6) recognition that class conflict between capitalism and socialism is historically inevitable and

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with it the total destruction of capitalism. (15) This official Soviet policy statement established a radical incongruity between itself and the benign principles signed by Breshnev and Nixon. Jackson never wavered from his conviction that the United States was enmeshed in a deadly global struggle.

Both Jackson and Fulbright supported Kissinger's nomination as Secretary of State which occurred shortly before the outbreak of the Yom Kippur War in 1973. Jackson maintained that it was preferable to have a Secretary of State who was actually conducting foreign policy. Fulbright praised the policy of détente and attempted to shield Kissinger from hostile Senate interrogators. Both recognized Kissinger as politically talented and intellectually gifted, well-qualified to conduct the Nixon Administration's foreign policy.

II.

Jackson's critique of détente concentrated on three key areas of American-Soviet relations: Soviet policy in the Middle East, Soviet military-strategic expansion, and Soviet human rights policy. These offered empirical test cases for détente's utility in crisis management, achieving a relaxation of tensions, and cooperation toward preserving international stability. If competition still persisted between the two governments, according to Kissinger, it should be conducted by mutually understood rules that would prevent an escalation into world war. In his "Pacem in Terris" address of October, 1973, Kissinger prescribed the framework for détente as precluding the effort to achieve a position of global predominance, exploiting détente to weaken American alliances, and entailing a pervasive lessening of hostilities leading to broad-ranged cooperation. Détente was "indivisible," requiring Soviet restraint in all foreign policy areas. However, the linkage of détente to the Vietnam War was already peripheral since Soviet military-diplomatic support for Hanoi coupled with American troops in the field was not deemed to be an obstacle to cordial American-Soviet relations. Kissinger credited the Soviets with helping to bring an "honorable resolution" to the conflict in Vietnam, an example of détente's efficacy. In generally supporting the Nixon policy in Vietnam, Jackson did not employ it as an issue in the debate over détente. The Vietnam War could have raised considerable ambiguity over whether Soviet support for wars of national

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liberation violated the spirit of détente or at least necessitated a selective focus that would alter the indivisibility of détente.

"The Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics," which was signed by President Nixon and Leonid Breshnev in Moscow (1972), was crafted to articulate the mutual framework for peaceful coexistence. Principle No. 2 stated that both nations would attach "major importance to preventing the development of situations causing a dangerous exacerbation of their relations." Both nations promised to exercise restraint and be prepared to negotiate differences by peaceful means. It affirmed that, "Both sides recognize that the efforts to obtain unilateral advantage at the expense of the other, directly or indirectly, are inconsistent with these objectives." A prerequisite for strengthening peaceful relations was "the recognition of the security interests of the Parties based on the principle of equality and the renunciation of the use or threat of force." When problems emerged, the United States and Soviet Union pledged to maintain consultations, if necessary, on the highest level of government. During the Yom Kippur War of October 1973, these principles provided Jackson with a litmus test for détente.

III.

On March 8, 1971, Jackson declared that, "the central fact in the Middle East is the Soviet Union's drive for hegemony." (16) Soviet ambitions, not ultimately the conflict between Israel and the Arab states, provoked instability in the region. He argued that the Soviet Union had a vested interest in heightening tensions which radicalized the conflict. They sought three geopolitical goals: 1) imperiling the oil supply to the western allies, 2) outflanking NATO to the south, 3) opening up the Suez Canal as a means to double the effectiveness of the Soviet fleet, assisting in the penetration of Africa. Jackson criticized the Nixon Administration's policy of support for United Nation's Resolution No. 242, which demanded the return of territories that Israel had occupied since the 1967 Six-Day War. By opposing Israel's position, the United States undermined the confidence of its friends while strengthening the intransigence of its enemies. Commitment to a general settlement damaged Israel's bargaining position.(17) Jackson

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repudiated efforts involving United States pressure to impose a settlement on the immediate parties.Reconciliation must transpire between Israel and her Arab neighbors, Jackson argued, with acknowledgment of Israel's right to exist, if peace were to be genuine.

On August 17, 1970, the United States, Soviet Union, Egypt, and Israel entered into a stand-still cease-fire agreement which was arranged by Secretary of State Rogers. Jackson charged that Soviet-Egyptian violations occurred that very night with new surface-to-air missiles placed within the 30 mile zone limit of the Suez Canal. He stated, "the Russians were deeply involved in the planning and execution of the violations."(18) Jackson recalled that he had told Kissinger to get the SAM missiles removed, but the Administration simply ignored these "brazen" violations. The effectiveness of Israeli air power was jeopardized, which caused a heavy toll in blood when the battle was launched. Indeed, it rendered militarily feasible Egypt's offensive surprise attack. In 1970, the Institute of Strategic Studies in London reported that, "the sheer volume of Soviet military arms for the United Arab Republic during 1970 was without any precedent."(19) Jackson charged that these actions violated the U.S.-Soviet Summit Agreement to refrain from the threat or use of force against the allies of the other party.

What evidence exists regarding Soviet cooperation in the Egyptian attack of October 1973? 1) The Soviet Union provided Egypt and Syria with numerical arms superiority. 2) They trained Egyptians and Syrians in offensive tactics. 3) Soviet newspapers contended that the Arabs had the right to "use every means of struggle" available. They encouraged the Arabs to employ the oil weapon against the West. 4) On September 13 1973, the Soviets warned of an imminent Israeli attack, preparing the rationale that the Arabs were reacting defensively. 5) A week before the attack, the Soviet Union sent up eight communications and reconnaisance satellites over the future battlefield. 6) The Soviets evacuated civilian dependents from Egypt 48 to 72 hours before the war began. Foreign Minister Gromyko declared in *TASS* during a March, 1974 trip to Cairo that, "political consultations between the Soviet Union and Egypt played an important part in the coordination of our actions in the period before October 1973 and during the events of last October."(20) It seems inconceivable that Soviet military

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advisors were unaware of the Arabs' plans or that Egypt would have launched the attack without prior assurances of Soviet resupply and support. The Soviet failure to communicate with the United States would appear to be a violation of the principle of restraint and not making gains at the expense of American interests.

After the attack was launched by Egypt on October 6 1973, the Soviets championed the Arabs and did nothing to restrain them. In fact, they attempted to widen the war by encouraging other Arab and African states to join the battle. They mounted a massive resupply effort, introducing more advanced weapons, like SCUD missiles and MIG-25 aircraft. Meanwhile, the United States found the Europeans unwilling to cooperate. At a press conference, Kissinger denied that the United States considered itself to be in a "confrontation" with the Soviet Union.(21) He held that "Soviet behavior has been moderate and not irresponsible." Jackson responded, "let us call it what it is, Arab war of aggression, even if the Secretary of State will not."(22)

On October 24 1973, the Soviet Union delivered a diplomatic message which Jackson termed "brutal and threatening." The Soviets had mobilized seven airborne divisions and vowed to deploy them if the United States didn't immediately halt the Israeli advance. In response, President Nixon placed American troops on Red Alert. Jackson argued that "Israel must win the war and win it decisively." To permit the Soviet Union or the United Nations to terminate the war would serve as an inducement to aggressors that they could be protected if the battle turned against them. Kissinger pressured Israel into accepting a withdrawal from its advancing positions, enabling Egypt to obtain a diplomatic victory out of what would have been certain military defeat. Kissinger claimed that détente provided a moderating influence in settling the crisis. In Jackson's judgment, the Yom Kippur War demonstrated how the Soviets exploited détente for their own advantage.

Senator Fulbright praised Kissinger's "great determination and restraint" through his peace efforts. This whole episode constituted a vindication of the utility of détente. Fulbright objected to Jackson's description of the Soviet message of October 24 as "brutal." He termed it "urgent." Fulbright regretted that it was thought necessary to call a Red Alert. He suggested that this was a budgetary ploy by the Pentagon in

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order to increase appropriations.(23) Fulbright applauded the United Nations decision to send a peacekeeping force. Conceding that the Mideast War had provided ammunition for the cold warriors, he reasoned that the logical implication of the conflict proved that there was no alternative to American-Soviet cooperation and the need to strengthen it.(24) He stated that, "détente in its essence is an agreement not to let these differences explode into nuclear war."(25) During an October 25 1973 press conference, Kissinger also appeared to embrace this operative definition of détente by holding that it signified that "confrontations are kept within bounds that do not threaten civilized life."(26) This minimalist view of detente implied that Soviet wars of national liberation were legitimate provided that direct nuclear confrontation with the super powers was avoided.

Fulbright insisted that the Soviet's move toward unilateral intervention in Egypt was an emergency operation intended to rescue the trapped Egyptian Third Army. The United States would have taken similar action if an Israeli army had been trapped. No objective difference existed between the Arab oil embargo to influence American policy toward Israel and the United States trade sanctions as a lever on Soviet emigration policy. He concluded that, "they [the Russians] demonstrated once again that they tend to be prudent in a crisis and that they are quite as resolved as we are to keep the Middle East conflict within bounds."(27) He chastized Jackson for expecting to find immediate tangible results in the Soviet Union, holding that America must not "force the pace" of détente. The true lesson of the Yom Kippur War exemplified the policy imperative of great power cooperation through the United Nations.

Fulbright nurtured an extensive public record as an inveterate critic of Israeli foreign policy. Israel represented a "garrison state" with expansionist aims, pursuing a militarist policy in open contempt of world opinion and censor by the United Nations. It symbolized a virtual antithesis of Fulbright's design for international relations. He charged that Zionists controlled the United States Senate and that Israel's belief that it had firm United States support obstructed a possible Middle East settlement.(28) After the Six Day War in 1967, Nasser initiated a war of attrition along the Suez Canal. Despite the availability of aerial reconnaisance, Fulbright concluded that the evidence was

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"inconclusive' that the Egyptians had violated the ceasefire by moving their SAM missiles closer and closer to the Suez Canal. The Egyptians demanded that the Israelis withdraw from all occupied territories as a condition to start negotiations. Israel emphasized the necessity of secure and recognized borders. Fulbright argued that Israel should accept the principle of withdrawal and adopt a policy of "flexibility" and "magnanimity." (29) Instead of vainly striving for strategic depth, following a futile and hopeless path of continued military superiority, real security could emerge only by Israel winning the friendship of her Arab neighbors. He endorsed the Nixon policy of supporting U.N. Resolution 242.

In opposition to Jackson, Fulbright endorsed a decisive intervention by the United Nations in order to impose a settlement in the interests of world peace. The Great Powers possessed a "vital interest" in the Middle East only because they allowed themselves to be manipulated by their client states.(30) The United States and the Soviet Union had become mirror images of one another – similar to the gridlock on strategic policy. Fulbright mocked the notion that the Soviets possessed any grand geopolitical aims in the region. By 1970, he held that the Soviets had seen the folly of continued rivalry and their national interest closely paralleled that of the United States in the region.(31) Since 1967, the Soviets displayed more prudence than the United States, in withholding arms supplies and acted cautiously by not supplying Egypt with offensive weapons.(32) In 1972, he proclaimed that, "the Russians have consistently counseled the Arabs that they would not support a military operation across the Suez Canal."(33) The "weight of evidence" indicated that the Soviets were pushing for a compromise settlement that could reduce great power tensions.

Fulbright reasoned that the Soviet Union became an unwilling victim of initiatives concocted by an Arab client state (Egypt) because he discerned no ultimate conflict of interest between the United States and the Soviet Union in the Middle East. The contention that the Soviets would subordinate their interests to an unreliable client, like Egypt, appears implausible. The Soviets didn't exercise restraint since wars of national liberation don't violate their ground rules for détente, regardless of the depth of American commitment. While theoretically détente is rooted in realism and can be judged empirically,

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the Yom Kippur War might illustrate how it constitutes a faith commitment that is dependent upon a tacit ideology which filters the interpretation of events. Its fruition as a process can be postponed to the indefinite future. Despite what many deem evidence of Soviet misbehavior, it still would be justified as an inescapable approach to avoid nuclear holocaust. During his testimony before the Senate Foreign Relations Committee in September 1974, Kissinger scrupulously desisted from any reference to the Soviet Union's role in the Yom Kippur War. Fulbright sponsored an amendment, after he lost the battle over aid to Israel, that such military aid ought not to be construed as a commitment by United States to its defense. In his last major address as a Senator, "Israel: Trying to Hold Off the Inevitable," delivered at Westminster College where Churchill gave his 'Iron Curtain' speech, Fulbright charged that the military balance had shifted inexorably in the Arabs' favor, dooming Israel to ultimate defeat.(34) He advised that deluding Israel about these harsh facts beckoned "destruction and possibly ours as well."

IV

Jackson was convinced that Soviet foreign policy was grounded in a realistic examination of the correlation of forces. He became increasingly alarmed that the substantial build-up of Soviet conventional and strategic forces would lead to an imbalance highly unfavorable to Western interests. When informed that détente has set the Union on an 'irreversible' course toward moderation, he responded in 1969 that, "the cold fact is that the military balance in central Europe has been significantly altered to the disadvantage of the West."(35) The concerted development of mobile long-range conventional capabilities would eventuate a more adventurous projection of Soviet power. Jackson insisted that, "the first priority in this dangerous and uncertain world is to maintain a greater nuclear power and strength than the Soviet Union. Strategic parity with the Soviet adversary is not enough. The survival of our nation and our allies in freedom depends not on a parity of nuclear power but on a margin of advantage in nuclear power for the peacekeepers over the peace-upsetters."(36) Though Nixon advocated a margin of safety in the 1968 election, the advocacy of strategic superiority was jettisoned for mutual assured destruction

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"sufficiency." Any frank espousal of nuclear superiority has virtually disappeared from public political discourse. Even Jackson would have to couch his critique of the SALT negotiations in the rhetoric of nuclear parity, as though this policy rather than American superiority would create more military stability with the Soviet Union.

In a *Time* interview (June 3, 1972), President Richard M. Nixon declared, "we must remember the only time in the history of the world that we have had extended periods of peace is when there has been balance of power. It is when one nation becomes infinitely more powerful in relation to its potential competition that the danger of war arises . . . it will be a safer world and a better world if we have a strong healthy United States, Europe, Soviet Union, China, and Japan, each balancing the other, not playing one against the other, an even balance." Would a strong, healthy Soviet Union lead to a better and safer world? How could Japan, with virtually no military capacity, be deemed an equal partner? Without belaboring the historical accuracy of Nixon's balance of power views, they mould Nixon's grand design for world politics. Henry Kissinger openly questioned the utility of nuclear superiority. He later acknowledged that it could be decisively employed by the Soviet Union to blackmail and intimidate in order to exact concessions or determine the outcome of crisis situations. Jackson consistently argued that as the Soviet Union approached military equality and superiority they would become "more resolute and more adventurous."(37)

Jackson became a leading proponent of the Safeguard ABM program. The Safeguard had many functions: 1) help defend the Minuteman system for retaliatory attack, 2) keep technological pace with the Soviet ABM program, 3) provide limited protection, 4) shift strategic policy towards providing cities with an active defense instead of simply building more offensive weapons and hardening existing silos.(38) He noted the ominous deployment of Soviet SS-9 ICBM's with 25 megaton warheads which were capable of attacking hardened silos.(39) This Soviet weapon was introduced after the SALT talks were underway and afforded testimony to the extent of the Soviet escalation. Jackson argued that the deployment of the Safeguard was an "essential condition for the SALT talks to succeed." The ABM Treaty with the Soviet Union killed this

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approach in the cradle until rehabilitated by Reagan's Strategic Defense Initiative.

On April 26 1971, Jackson announced that the United States was no longer militarily superior to the Soviet Union. (40) He warned that the Soviet's unprecedented peacetime expansion threatened all three components of America's strategic triad. This augured grave consequences for world politics. Jackson held that a build-up of America's offensive arsenal would be too costly. Accepting the Soviet SALT proposal limiting ABM'S would cripple America's defensive option. The United States should at least protect its deterrent forces and achieve an arms control agreement that offered a strategic balance. Noting that the Soviet Union was not committed to a policy of Mutual Assured Destruction (deterrence only), Jackson held that the ABM defense must be employed around America's Minuteman system. The United States did not have a first-strike system to penetrate Soviet silos and the leaders of the Kremlin knew this. The Soviets proposed to limit defensive systems while not reducing their offensive capability. The Soviets understood the tremendous psychological impact on Western public opinion that the demoralizing threat of mutual annihilation presented. Though defensive systems were non-nuclear and posed no threat to the Soviet heartland, they did undermine Soviet ideological initiatives. The Soviets had a vested interest in making the world radically unsafe. Jackson advocated a mutual freeze on offensive systems which would "lay down the sword and keep the shield."(41) He demanded some evidence of Soviet restraint from the Nixon Administration to bolster its claims that we were moving from an era of confrontation to one of negotiation.

When the terms of the SALT negotiations began to surface publicly, Jackson accused the Nixon-Kissinger team of placing the United States into a position of strategic inferiority. He declared, "the simple fact is that the Soviets could be pursuing an aggressive policy of qualitative improvement of their offense, and acquire the capability to destroy our deterrent force."(42) Under SALT I., the Soviets were given a 50% edge in ICBM's (1398 to 1054), over a 50% edge in payload (4 to 1), and a three to two advantage in nuclear submarines (60 to 42). Jackson also charged that the Soviet Union would develop MIRV technology (multiple warheads) which would enable them to

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realize a vast superiority due to their larger and more numerous ICBM silos. Kissinger contended that America possessed a MIRV technological advantage with more individual warheads while the Soviets had a quantitative advantage in numbers and throw-weight. This constituted a rough equality of forces. Kissinger's private understanding that the Soviets wouldn't MIRV their ICBM system was quickly disregarded by the Kremlin. Jackson asserted that "the treaty contained ambiguities, there appeared to be secret understandings of which the public, including the U.S. Senate was unaware." He demanded that the facts be placed before the public. He repudiated Kissinger's 'momentum argument' that America should sign the treaty because the widening weapons gap would become much greater without the agreement. The timely question was why the United States permitted itself to be confronted with an unrestrained Soviet strategic escalation.

Fulbright accused Jackson of attempting to delay the vote on SALT ratification. Jackson responded by claiming that Fulbright had expended only a few minutes to discuss a treaty in which the very preservation of western freedom was at stake. Fulbright reiterated that, ". . . the President of the United States, after all, controls the negotiations."(43) Jackson observed that Fulbright had advocated previously that the Senate was abdicating its constitutional responsibilities in foreign policy. Accusing Jackson of 'arrogance,' Fulbright held that, "the agreements depend primarily, not upon any legal right in any court . . . they depend upon the confidence each country has in the agreement."(44) Jackson was charged with poisoning the climate of friendship by providing cause for the Russians to question our good faith. In contrast to those who felt any limitation of nuclear arms was desirable, Jackson maintained that either numbers matter or agreements don't. He was simply practising the 'Fulbright Doctrine' in order to afford the Senate with a greater voice. Should the Senate acquiesce in granting the Soviets strategic superiority? During the Senate debate, Fulbright accepted the principle of strategic equality. He did not come prepared to debate the technicalities of the treaty. Jackson formulated a Senate resolution, which was accepted by the Nixon Administration, requiring that in any future strategic weapons agreement, the United States would refuse to accept provisions, such as those in SALT I., which

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would leave the United States numerically inferior.

Fulbright expressed discomfort that Nixon justified increased military spending only to employ it as a bargaining chip in future negotiations. He attempted to defend the Soviet advantage in nuclear submarines by arguing that America had more forward bases for its submarine fleet. Jackson responded that there was little foundation for the claim that the U.S. had a favorable geographical position. The Soviet Union possessed a larger land mass between American submarines and their strategic targets. Fulbright praised the agreement of May, 1972 limiting ABM sites and deploying offensive weapons. He proclaimed that, ". . . giving up the ABM – except for each side retaining the option of two sites – is probably the single most planners to accept past decisions as if the superpowers had a commitment to coexistence. In so far as each side abandons the effort to make itself invulnerable to attack or retaliation by the other, it also commits itself to peace and to the survival of the other's power and ideology."(45) He embraced the logic of mutual assured destruction as the path to peace while others would increasingly question whether the Soviets shared this commitment.

In holding that 'real détente' must be established upon substantive results and actual Soviet behavior, Jackson deemed SALT I. to be an 'inauspicious beginning.'(46) SALT II. would reveal the genuine implications of the SALT process. He recognized that in SALT II the Soviets strove to consolidate their advantage and described Kissinger's response as 'disappointing in the extreme' Instead of rectifying the imbalances of SALT I., Kissinger had prioritized short-term proposals which extended the process of negotiation but achieved little substance. Jackson proposed a sharp reduction in the levels of strategic forces, i.e. arms reductions rather than arms limitations. He argued that the 1974 Vladivostok Agreement actually provided extremely high strategic force ceilings.(47) He blamed Kissinger for initiating a decade of détente which left the United States less secure than it was when the SALT negotiations began. Soviet spending on strategic forces increased after the 1972 SALT Agreement; they spent three times as much money on strategic offensive and defensive weapons as did the United States.(48) Kissinger's assertion that the Soviets had tempered their military activities and force levels could not

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be empirically substantiated.

V.

In 1975, the Jackson-Vanik Amendment passed the Senate by an 88 to zero) vote. The amendment denied the Soviet Union most favored nation status if it refused to open up its emigration policy for Soviet Jews and other dissidents. Kissinger and Fulbright criticized this legislation as meddling in Soviet internal affairs. Defending such embattled minorities aggravated the prospects for peace and jeopardized American national interest. Jackson charged that Kissinger posed a false choice between avoiding nuclear war and defending values of human decency.(49) Jackson denied that he intended to restructure Soviet society. The right of emigration was modest and manageable as well as being adopted by the United Nations Charter. The plight of Soviet dissidents heightened public awareness on a personal level of the profound differences between the Soviet regime and the Western democracies.

Jackson vigorously disputed Kissinger's contention that helping Soviet dissidents could best be realized through private diplomacy. Kissinger has cited as evidence the removal of the Education Exit Tax in 1971, seen as a ransom for potential emigrants, as proof of détente's utility. (50) Jackson contended that this tax was rescinded before the 1972 election and then reapplied after. *The New York Times* reported that improved relations with the West prompted the Soviet secret police to launch a crackdown on the dissident movement. (51) When the Soviet authorities forcibly expelled Alexander Solzhenitsyn, Ford, again with Kissinger's counsel, snubbed Solzhenitsyn.(52) Jackson described this action as 'ignoble' and 'reprehensible.' He sponsored Solzhenitsyn to address the United States Senate. Jackson declared that, "the action of the Soviet authorities against this brave and decent man underscores the question whether the Soviet Union wants a genuine détente – a stable international society that can only result from respect for the free expression of ideas and the lowering of barriers to the free movement of ideas."(53) The depth of American commitment to individual liberty would prove decisive in moulding the emerging policy with the Soviet Union.

On August 1, 1975, President Ford signed the Helsinki Peace

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Accord with the Soviet Union. In exchange for legitimating Soviet control over East Europe, the Soviet concession consisted of a promise not to assist terrorist activities and to implement a freer flow of ideas, information, and people. Shortly after Helsinki, Breshnev announced that, "no one should try to dictate to other peoples on the basis of foreign policy considerations of one kind or another, the manner in which they ought to manage their own internal affairs."(54) Jackson charged that the Soviets had already dishonored the Helsinki agreement by intensifying the harassment of Soviet dissidents, like Andrea Sakharov.(55) He asked whether anyone was so naive as to believe that the Soviet Union allowed freedom of expression in Poland or would honor human rights commitments made at Helsinki. During the Ford-Carter Presidential debate, Ford would realize Jackson's worst fears by declaring Poland to be a free country. The Soviets continued to violate the agreement, even jailing individuals who were supposed to monitor it. Jackson later revealed that, "one of the great coverups in this century is the effort by Western governments, who know better, to muffle the facts about Soviet bloc support for international terrorism."(56) While violations of the Helsinki Accord could embarrass Soviet diplomacy, the Soviets minimized any damaging longlasting impact upon détente. The inner logic of the policy assumed a reduction of tensions and acquiescence in Soviet misbehavior since worsening hostilities could only push the world to the brink of nuclear annihilation.

Fulbright, Kissinger and Jackson differed on the viability of human rights. Adopting the posture of cultural relativism, Fulbright asserted that, ". . . there is no greater vanity than the assumption that one's values have universal validity.' (57) While downplaying the role of intentions in analysing Soviet foreign policy, Kissinger ignored Marxist-Leninism as a catechism for Soviet leaders. Operationally, his balance of power approach relegated ideological differences to mere obstacles to business-like diplomacy, concentrating instead upon pressing state-to-state relations. When classical balance of power politics reigned in Europe, a consensus of civilized values existed between the various heads of state. Though not explicitly proclaiming values to be relative, Kissinger's statecraft trivializes them as objects of policy. Jackson did not highlight Marxist-Leninist theory as a foundation for Soviet policy. He appealed to 'human decency,'

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'common sense,' and 'individual liberty,' as a tacit foundation for human rights. Instead of advocating a universalistic philosophy of democracy (which contains its own dangers), Jackson preferred the level of concrete abuses of human rights and Soviet political-military misbehavior. The factual documentation could function efficaciously within the Washington political-military briefing rooms but the general public might require greater emphasis upon the radical opposition of the two regimes intrinsically in order to provide the frame of reference to apprehend the ultimate values at risk.

VI.

In focusing upon Kissinger's implementation of détente during the Nixon-Ford Administration, one must remember that both before and after his tenure in office, Kissinger insightfully criticized this very approach. In his *The Necessity of Choice* (1961), he condemned the incapacity to make moral distinctions and the pitfalls of bending over indulgently to acknowledge the legitimacy of others' point of view as fermenting the debilitating malaise of appeasement that helped lead to World War II.(58) The belief was sedulously cultivated, similar to Fulbright's posture, that if America was drained of its moral conviction, then peace would materialize by depolarizing self-righteous ideologically driven camps. The crusading cause for belligerancy would be dismantled. In 1961, Kissinger acknowledged that this Hobbesian relativism would induce a paralysis of will by holding that, "when skepticism becomes an end in itself, it can easily lead to stagnation or resignation. Where nothing is certain, nothing will be strongly maintained. This may make for ease of relations in a stable society ... But liberty may indeed require a readiness to face death on its behalf."(59) When fear of violent death supplants love of liberty as the architectonic social value, the process of appeasement becomes irresistible. Kissinger noted that if one deems nuclear war to be the greatest evil, "nuclear blackmail is almost a foolproof strategy." This contention was defended before and after but not during his time as a power holder, when the fear of nuclear war was employed as a weapon to fend off critics. In 1979, he acknowledged that, "the practical result (of Soviet strategic advantage) is that in a local, regional crisis the Soviet capacity for intervention must become more politically signifi-

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cant than in the past . . . The conduct of American policy in crises will inevitably become cautious. This is an event of geo-political significance." (60) Kissinger subsequently supported the Strategic Defense Initiative, rejected the Soviet offer at the Iceland summit on strategic arms, and criticized the proposal to remove American intermediate range missiles from Europe. However, his policy of détente has left the more permanent imprint historically upon American foreign policy.

Détente has its defenders, even among neoconservatives, who might have been expected to endorse Jackson's approach. Irving Kristol praised Kissinger for revolutionizing the American way of thinking about foreign policy.(61) In the past, American policy has gravitated between popular spasms of isolationism and interventionism rooted in competing ideological visions. By Europeanizing American foreign policy on the realistic basis of national interest and balance of power, Kissinger endeavored to establish a policy appropriate for an imperial republic. Kristol identified Kissinger as adopting the model developed by George Kennan. Kennan articulated with logical rigor the policy implications of détente, implications that some have termed solicitous and submissive toward the rise of Soviet power. Though Kristol conceded that it was impossible to define national interests without taking values into account, he declared that, "a doctrinaire refusal to compromise one's values is the sign of perpetual adolescence." (62) In the age of nuclear weapons, this pragmatism was "an absolute and overriding truth." America had reached middle-age, lost its idealistic innocence in Vietnam, and must lower its foreign policy expectations. This mid-life crisis demanded a prudence which necessitated international stability as the prime purpose of a responsible great power. Kristol held that a buoyant foreign policy consensus was "too grandiose and too confining for statesmen. While Jackson sought to revitalize a bipartisan consensus foreign policy, Kristol opted for elite control, insulating policy from the unsteady and uninformed shifts in popular opinion.

In an era of mass democracy and prime-time Presidency, the Nixon-Kissinger statecraft strove to conduct a foreign policy outside of the channels of political scrutiny and immediate popular support. Foreign policy was an arena to enable the President to mobilize mass domestic political

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support. This effort to maintain exclusive power over foreign policy required a symbiotic relationship between Kissinger and the media. Rather than pursuing mere stability, foreign policy would become the realm for dramatic and bold presidential initiatives. By orchestrating history-making media events, confidence in presidential leadership could be reinforced through an activism which would dominate the political agenda. This was not an attempt to professionalize foreign policy through the State Department diplomatic corps. Kissinger shrewdly coopted the media by nurturing personal contacts which resulted in a virtual cult of personality and media trust in his superior capacities as an intellectual and diplomat. He made no visible effort to educate the media or transform their opinion on issues like the Vietnam War; the relationship was cooperative and ingratiating, unlike Nixon's siege mentality regarding the media. To perpetuate this international high-wire act demanded rare and remarkable political capacities.

Jackson concluded that the Kissinger diplomacy was very fragile and doomed to fail. Détente required a succession of treaties or events which could capture the popular imagination but these would also sacrifice long-range national interests for short-term political advantage. Jackson realized that Kissinger's hard détente, "the carrot and stick" approach, could not maintain "firmness" in response to Soviet misbehavior. Kissinger discovered this when he attempted to rally support against Soviet-Cuban adventurism in Angola. One cannot atrophy public threat perception through détente's relaxation of tensions and call simultaneously for greater defense expenditures and military vigilance. The momentum of détente cannot be obstructed by reversals which challenge its initial premises. The policy can easily slide into Fulbright's "soft détente," mandating faith in Soviet goodwill, removal of potential sources of Soviet distrust, rationalizing away or concealing evidence of Soviet misbehavior, and instituting unilateral military disarmament as an immediate domestic benefit of the program.

As direct Soviet-American military confrontation subsided due to the threat of nuclear warfare, the Soviets recognized that ideological war would be crucial and also intensified. While conceivably détente could encourage some Soviet leaders to accept the West's benign intentions and become a status quo power, Kissinger's détente constituted a unilateral ideological disarmament. Fulbright sought to eliminate Radio Free Europe

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and the Voice of America as annoying remnants of the Cold War. In the battle to influence Western public opinion, the Soviets possess substantial advantages which they have effectively exploited. They run little risk of internal opinion being subverted. The Soviet's ability to manipulate Western peace movements, capitalize on an open system with political cleavages, and utilize fears of war or nuclear annihilation, has left Western leaders without an effective countervailing strategy. Both Nixon and Kissinger accepted the loss of American public will as an initial premise and engaged in no concerted effort to reverse this disastrous trajectory. Democratic statesmanship mandates that leaders educate the public regarding the burdens and sacrifices that they should assume in order to preserve their freedom. Kissinger refused to call upon Americans to transcend their narrow private interests and then justified his policies as the best possible course amidst the decline of American power.

Jackson had greater faith in the resilience of the American people. In a free society, the Nixon-Kissinger policy could not stifle public criticism sufficiently to conceal its basic defects. The inducements for the Soviet Union to behave like a status quo power proved less seductive than the immediate opportunities to exploit the weakness of the West. Jackson retained sources within the defense-foreign policy bureaucracy who provided him with the tangible evidence of Soviet treaty violations and military expansion which undermined détente. He attacked it on a solid empirical basis. However, the effort to craft a bipartisan consensus requires the rhetorical ability to conduct the ideological struggle on a statesmanlike basis. One must reinforce public commitment to the transcendent values of the nation that are beyond mere survival while retaining the flexibility to cope with the complexities of foreign policymaking. Henry Jackson's critique of détente ran against the drift of opinion, particularly within his own political party, thus eliminating whatever chances he might have had as a Democratic candidate for the office of President.

FOOTNOTES

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(28) *Congressional Record* (Vol. 117, pt. 6), March 23, 1971), 7357.
(29) Fulbright, *The Crippled Giant*, p. 113.
(30) Ibid., p. 110.
(31) Ibid., p. 130,; *Congressional Record* (August 24, 1970), 29799.
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(33) Ibid., p. 140.
(34) *Congressional Record* (November 18, 1974), 19451.
(35) *Congressional Record* (Vol. 114, pt. 22), October 3, 1968), 29278.
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(37) *Congressional Record* (Vol. 125, pt. 5), March 1, 1977, 5635.
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(39) *Congressional Record* (Vol. 116, pt. 20), August 5, 1970, 27438.
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(41) Ibid., 11909.
(42) *Congressional Record* (Vol. 118, pt 21), August 14, 1972, 28032.
(43) Ibid., 28037.
(44) Ibid.
(45) Fulbright, *The Crippled Giant*, p. 46.
(46) *Congressional Record* (Vol. 120, pt. 9), April 23, 1974, 11301.
(47) *Congressional Record* (Vol. 121, pt. 7), March 26, 1975, 8664.
(48) *Congressional Record* (Vol. 125, pt. 12), June 4, 1979, 14903.
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THE REVOLUTION OF RISING EXPECTATIONS, NATIONALISM AND THE PROSPECTS FOR FREEDOM IN THE SOVIET BLOC

By Oleg Zinam

In this study the term Eastern Europe is used to refer to the six members of COMECOM — Bulgaria, Czechoslovakia, East Germany, Hungary, Poland and Romania, whose economies operate under Soviet tutelage. The term West is used to refer to the nations of Western Europe, Northern America, and for practical purposes, Japan also. The primary object is to examine the impact of Western trade with and loans to the East European and Soviet economies on the prospects for social and political change in the Soviet bloc which are so widely discussed today.

There is general agreement that the Soviet Union needs Western trade and technology for at least three reasons: (a) to modernize its inefficent, over-centralized planning methods; (b) to improve the efficiency of its economy as a base for its military-industrial complex; and (c) to modernize its non-defense sectors without transfer of technological talents and resources from top priority defense sectors.(1) Eastern Europe needs Western trade and technology for primarily economic reasons. Without the importation of advanced technology from the West, Eastern European nations cannot sustain adequate economic growth to meet the demands of their people for improvements in their standard of living.(2) The need for Western trade is enhanced by (a) the general scarcity of advanced technology in the Communist bloc; (b) the "lack of stimulus to produce quality products" and (c) "inadequate price and monetary relations" among its members.(3) In their efforts to expand trade with the West, East European countries are caught in a vicious circle: Without importation of Western technology they cannot attain the quality of exports acceptable to the West; without substantial exports to the West they cannot pay for the import of technological goods. To break this vicious circle they need a substantial extension of loans from the West. Yet their indebtedness has reached such a high level that further expansion of loans appears to be a risky financial venture, not really justified by expected gains from future

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trade.

In addition to technology, East Europeans need imports of crude oil, minerals, metals, chemicals and grain. Price inflation in the West makes it increasingly difficult to obtain these products from the West. Moreover, the Soviet Union, the major supplier in the past, is increasingly less willing to exchange her fuels, metals and minerals for East European machinery.(4) Though the USSR increased its prices of oil, fuel and raw materials from time to time, they are still well below Western prices.

Although presently economic growth and technological advance in Eastern Europe are slowing down, one should recognize its considerable economic achievements in the post World War II period. Their economies have been growing at acceptable rates, industrialization has been advancing rapidly, standards of living have been on the rise, and most of them have joined the family of developed industrial nations. Yet, declining rates of economic growth, an unfavorable balance of payments with the West, substantial hard-currency indebtedness, problems of obtaining advanced Western technology, difficulties in importing energy and raw material supplies from both the West and the Soviet Union and the ever-increasing pressure from population desiring an improved standard of living are formidable obstacles on the road to further economic advancement. To continue the economic progress of the past, East Europeans must solve their energy supply problems and substantially modernize their technology. Unfortunately the political system prevailing in both Eastern Europe and in the USSR is not conducive to technological advance, which depends on the capability to innovate and to adapt rapidly to changing environmental conditions.

The question of whether to expand or contract trade with the West and Eastern Europe is complicated by ideological, strategic and political factors which can be understood only if placed in proper historical and global perspective. The present dilemma is part of a much broader long-run controversy among statesmen and scholars concerning trade relations between the West and the Communist bloc in general. The basic dilemma is whether East-West trade and the concommitant technological transfer would lead to a political liberalization in the East, a reduction in the danger of war and an improvement of living standards within the Communist bloc, or whether it would merely serve to strengthen their totalitarian regimes, enabling

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them to further expand their military power, and ultimately increase the probaility of further military agrression on a global basis by the leaders of the USSR.(5)

The proponents of an expansion of East-West trade believe that trade and technological transfers will liberalize, democratize and in general ameliorate the Soviet and other communist East European regimes. This view is in harmony with those Western convergence theorists who believe in the inevitability of a "rapprochement" of East and West and the ultimate "liberalization" of the Communist bloc by peaceful evolution. (6) The opponents of free East-West trade, whose voices are now less frequently heard, warn that:

> the introduction of Western technology and expansion of trade would remove major bottlenecks in the Soviet economy, ameliorate its difficulties in central planning, improve its overall efficiency, prevent switching of its scarce technology from high priority sectors to neglected sectors, and in general strengthen it to such a degree that it would enable it to continue its relentless expansion of political and military power at the expense of the rest of the world.(7)

Instead of an amelioration of the regime, they believe the oppression of dissidents and of the people at large would intensify. Prominent Soviet dissidents — Andrei Sakharov and Alexander Solzhenitsyn — have taken the same position.(8)

On the other hand, the view of trade opponents is somehow weakened by Koropeckyj who believes that if trade is expanded and access to Western technology given, the Soviet Union will inevitably fail to adjust its economy to the structural changes necessary for expansion of exports needed to pay for the imports of technology.

The controversy not only persists but has gained more significant dimensions as a result of present East European difficulties and the advent of *glasnost*. To be applicable and relevant to present day problems the theoretical framework behind the controversy must be broadened and restructured. The complexity of the problem is matched only by its importance. In most discussions of detente and expansion of East-West trade the fate of the "captive people" in Europe — Eastern Europeans controlled by the Soviet Union and their subservient governments of the satellite countries as well as of the oppressed nationalities within the Soviet Union — is largely ignored. It is

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important to analyze the impact of trade on the material well-being, political freedom, security and human values of these people. The efforts of Hungarians, East Germans, Czechoslovaks and Poles to gain some degree of independence and self-determination were crushed by Soviet military might while the West stood idly by, afraid to revive the "cold war."

The major force in East-West relations today is the USSR, led by its Kremlin leaders. These leaders have not abandoned their dreams of world domination, nor of the elimination of "capitalism." They still speak of the attainment of a communist millenium. Despite the recent much publicised experiment in something resembling Lenin's "New Economic Policy" (which, interestingly, was notoriously short-lived) they seem determined to maintain an iron grip on their own peoples and on the Eastern European nations. Moreover, the Soviet rulers are "organizing the most powerful military-industrial complex in the world, capable of both defense and expansion." (9) Marxist-Leninist ideology is still openly and officially endorsed as justifying the "revolution from above," and resisting all revolutionary forces "from below." The latter developments are inspired by modernization operating on two levels, through technological changes and the complexity of industrial organization which requires a quest for decentralization and economic reform. The human side of modernization and the revolution "from below" is expressed in such phenomena as the "revolution of rising expectations" on the one hand and anomie on the other.(10) Disenchantment with the authorities and their ideology has led to anomie and the loss of hope that people's dreams can be realized under Leninist regimes. This in turn has undermined the efficiency of the Soviet workforce. But since people do not give up their vital dreams and aspirations easily, they search for a channel to express their discontent and to reaffirm their aspirations. Since in Eastern Europe Marxist-Leninism was imposed by the Soviet armies, nationalism has become a new force animating the "revolution from below." This is also true for the many oppressed national minorities within the Soviet Union. The Soviet leaders see nationalist forces as a threat, and even Russian nationalists have suffered penalties and imprisonment just as other minority nationalists have been repressed. The recognition of nationalism as a major force operating within the Communist bloc and endangering its unity and its long-run chances of survival must be credited to

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Emil Lengyel, who observed that "while the nationalist countries (in the West) were moving toward an accentuated form of nationalism ... The economic nationalism of the Eastern bloc countries fits into the general pattern." (11)

What we are witnessing in the Soviet Union and in Eastern Europe can be depicted as two revolutions in conflict, a concept first formulated by Constantine Olgin and later further developed by the present writer.(12) The destiny of the Communist bloc nations will largely depend on the relative strength of these two revolutions. Therefore, major decisions on Western trade with Eastern Europe cannot ignore their impact on this struggle. Moreover, these decisions must take into consideration the impact on economic wellbeing, freedom, security and other human values of all participants affected by these decisions. Who will benefit and to what extent, and who might be hurt and how badly, depends on the complex relationship between power and the preferences of these groups.

From the economic point of view, one of the most important factors which has contributed to Soviet interest in the expansion of East-West trade has been the "inability of the command system to keep in step with the dynamic development of the rest of the industrially advanced world.(13) Economic reforms based on liberalization and decentralization have not substantially improved the system's ability to generate technological advance primarily due to "the incapability of the system to adjust to a changing environment . . . caused primarily by the Marxist anti-market dogma . . . and secondarily by the system's political superstructure."(14)

Inability to develop technology and difficulties in reforming their economies to make them more adaptable to technological advance has made the Soviet leaders anxious to obtain Western capital and technology. Trade with the West, however, has been a one way flow of capital and goods. Eastern European exports lagged far behind the imports. As a consequence, East Europe has run up a debt to the West in the vicinity of $50 billion and is forced to export its most competitive capital goods in the West. Despite all these disadvantages, "detente with East-West trade and cooperation remains, at least for the time being, the only substitute for otherwise inevitable economic reforms in the Soviet type countries." Paradoxically, "it is detente," wrote Selucky, "which contributes to the stability of these systems and to the conservation of the status-quo in East

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Europe."(15)

Moreover, successful expansion of East European trade with the West would make them "less of an economic burden they are to the Soviet Union without any significant decline in their ties to the bloc."(16) But if this trade should falter due to indebtedness to the West and inflation in market economies, dependence on Soviet economic support will increase and the East European countries will be forced to blend even more tightly into the Communist bloc.(17) Of course, if détente and trade with the West should be discontinued, "the Soviet-type systems would again be facing the old dilemma of structural socio-economic reforms."(18)

Economic integration of the Communist bloc is achieved through activities of the CMEA. It is dominated and controlled by the Soviet Union. Its basic policies are promoting joint planning, "socialist division of labor," technological integration and initiating joint projects of a supranational kind. Collective sections involving several members provide badly needed economies of scale. Since a considerable amount of manufactured goods produced by Eastern Europe is of a quality not acceptable in Western markets, it becomes increasingly dependent on imports of Soviet raw materials, minerals, metals and fuels. Since the USSR does not need these inferior manufactures, it actually subsidizes East European economies. In Rakowska-Harmstone's words: "Economically, Eastern Europe is increasingly a burden to the Soviet Union, but the political tradeoffs involved are obviously considered to be worth the costs."(19)

One of the most important political objectives of all communist leaders is "strengthening and expanding of the monopoly power of the ruling elites." For the leaders of individual East European countries this means preservation and expansion of their own power and control over their subjects. By contrast, the Kremlin seeks, in addition to preserving control over the diverse nationalities of the USSR, several other political objectives, among them — maintaining a leading role in the world communist movement, control over Eastern Europe, expanding the military might of the state, and exporting revolution.

Since the major preoccupation of the East European governments is maintaining control over their own countries, they are "preoccupied with efforts to generate legitimacy of its own based on a national consensus."(20) To achieve this purpose they have to respond to some pressures generated by the

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revolution "from below," such as "the pressure for national sovereignty; the pressure for political democratization and pluralism; and the pressure for an improvement in the standards of living."(21) Behind all of these pressures stands a powerful drive for national self-determination in Eastern European nations which is confronted by the efforts of the Soviet leaders to integrate Eastern Europe with the USSR and establish "an organic relationship that would incorporate East Europeans into the Soviet body politic beyond the point of return."(22) East Europeans perceive the Soviet Union "as a colonial power ruling the empire by military means." Such Soviet policy "leads to the stagnation and degradation of the peoples of Eastern Europe." Whenever East European leaders act independently from the Soviet Union and defend the national interests of their people, they receive strong popular support.(23)

Political integration is achieved formally through the Warsaw Treaty Organization which coordinates and integrates bloc activities primarily in military matters and in foreign policy. "Progress in political integration," said Rakowska-Harmstone, "has been reflected in the synchronization, through the bloc, of constitutional instruments to formally enshrine the 'leading role' of the communist part in society, as well as a constitutional treaty commitment to a common, Soviet-directed foreign policy."(24)

East-West trade and the transfer of technology definitely permits the Soviet Union to continue building up its military power. It does so by removing Soviet economic and technological bottlenecks and by enabling the Kremlin leadership to postpone badly needed economic reforms. Due to the extreme interdependence of the Communist bloc economies, there is no way to limit technological transfer from the West to Eastern Europe while denying access to this technology to the USSR. Moreover, since Eastern Europe is now an economic liability for the Soviet Union, Western economic assistance to any COMECON country potentially frees Soviet resources for military purposes. East European nations can also strengthen their own military power through Western trade, but in the final analysis, strong nationalist and anti-Soviet feelings among East Europeans may tend to make their armies less reliable, especially in the case of an aggressive war against Western Europe.

According to the Marxist-Leninist doctrine of the Krem-

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lin leaders, "socialism" is still on the march and its inevitable victory over the non-socialist world is the goal. East-West trade relations open the door to broader dissemination of Soviet influence in Western Europe. The Soviet leaders recognize the danger of some "infection" ideas generated in the West, but in their view the risk of "infection" is greatly outweighed by the advantages of extending their own influence throughout Western Europe. Soviet leaders also believe that the dialogue between CMEA and the European Economic Community "would further enhance the socialist bloc's cohesion and the Soviet leading role within it."(25)

The central question of this study is whether a further expansion of trade and technological transfer between the West and Eastern European countries will help the cause of freedom, economic and political self-determination and democracy, or hinder it. The case cannot be presented in black and white. The implications are not completely clear. Yet, an attempt must be made to list the arguments for and against the extension of Western trade with Eastern Europe.

Possibly a further extension of trade would help the East European satellite nations advance their technological development and enhance their level of economic independence from the Soviet Union. An improvement in their standard of living will strengthen and enhance their desire for higher goods, among them, desire for freedom and national self-determination. Rising standards of living in the Soviet Union will, it is argued, stimulate and increase the discontent of the suppressed national minorities and strengthen the forces of the "revolution from below." If the Soviet leadership attempts to ameliorate its policies and become more receptive to popular needs, relaxing power relationships and the powerful ideology within the Communist bloc on which the establishment relies for its validity, something must give.(26)

The opposite case of curtailing or even stopping Western trade with Eastern Europe assumes different reactions among those in power. Trade and technology transfers could help the Soviet Union to further integrate the Communist bloc politically, economically and militarily. Western trade will continue to subsidize the USSR in its maintenance of military superiority over the West and relieve Soviet leaders of the burden of supporting Eastern Europe economically.

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Eastern European leaders, with Western help, could more easily work to coerce their people and possibly even to integrate their subjects into the Soviet bloc beyond the point of no return. If those who have power in Eastern Europe and the Soviet Union can direct resources arising from Western trade and technology toward the buttressing of their political goals the West might be helping not the "captive nations" but their jailers.

The dilemma facing Western democracies and the USA seems to be very perplexing. A choice of protecting the people of Eastern Europe by helping their governments to overcome continuing economic crises appears, on the surface, more moderate, considerate and humane. But, in the ultimate it may enable the Kremlin and Eastern European regimes to maintain their power without the need for more than symbolic concessions to the demand for a higher standard of living amongst the people they control.

Such a choice serves the Kremlin purposes and creates an illusion of "reducing the tension" and preserving peace. It will undoubtedly serve more as a palliative rather than a serious effort to stop and reverse the present expansion of Soviet influence around the world. Within this context, the use of economic sanctions to restrict the military power of the Soviets in the name of freedom has a powerful appeal. The Kremlin and other East European leaders must face the economic consequences of their oppressive system. Instead of bailing them out, the West should deny Marxist governments financial credit and especially technological assistance, thereby forcing them to make the painful choice between butter and guns within the confines of their own resources. This must severely slow down and eventually stop the one-sided race in which the Kremlin, while receiving credit and technology from the West, uses a disproportionally large share of its resources to accelerate the build-up of its space and military technology, while negotiating a reduction in outdated weaponry for publicity purposes. Should this process be slowed by restriction of Western credits and technology, the defense burden of the West and with it the door will be open for a gradual liberalization and democratization of the Soviet system. This argument is the basis of the Western liberal convergence thesis. Its weakness lies in whether the high level of government spending and its potential for inflationary pressures could also be reduced.

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FOOTNOTES

(1) Oleg Zinam, "Soviet-US Trade: Perspectives and Prospects," *Rivista Internazionale di Scienze Economiche e Commerciali,* Septe,ber 1976, p. 877.

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(Footnotes 9 to 26 were lost by accident at the time of publication, through no fault of the author, and will appear in Vol 13 No 2)

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BOOK REVIEW ARTICLE

BIOLOGY, ECONOMICS AND SOCIAL PHILOSOPHY

By Richard Lynn

Throughout the Western World the decline of religion has left a moral vacuum in many people's lives. Many of us are no longer certain of life's ultimate objectives. Now Dr. R. B. Cattell, a leading contemporary psychologist, offers a solution to this problem in his new book *Beyondism* (1987).

The fundamental premise of Cattell's approach is that our primary moral purpose should be to sustain the further evolution of the human species. The achievement of this objective will lead to improvement beyond the present. Hence the neologism – *Beyondism* – for the author's ethical system.

There are two levels at which evolution operates. These are the cultural level, where better social institutions gradually evolve to replace the less effective; and the biological, where superior biological forms replace inferior ones. Cattell argues for the promotion of conditions and policies which will foster both types of evolutionary advance.

So far as cultural evolution is concerned, there have been two broad traditions. The first consists of a consciously worked out plan for society to replace the existing imperfections. This is essentially the method of socialism and goes back as far as Plato's *Republic*. The blue print for the ideal society is drawn up by gifted planners. The essential philosophy is that intellectually superior planners know best how to run their societies and should be allowed to do so.

The other tradition is evolutionary and has sometimes been designated a system of organized chaos. It was first comprehensively set out by Adam Smith in 1776 in his *Wealth of Nations*. The basic premise is that the best outcomes are achieved by social systems in which each individual pursues his or her own interests within a framework of law to prevent antisocial behavior. Such a system allows each individual to contribute his or her unique knowledge and expertise, the sum of which is greater than any group of planners can possess. There will be competition with other individuals, and from this the best ideas, practices and institutions will emerge spontaneously

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but as if, in Adam Smith's memorable phrase, guided "by an invisible hand." Adam Smith's ideas have been restated in recent times by Frederick Hayek (1960) and Milton Friedman (1962) and form the intellectual basis of capitalism.

As between these two approaches, Cattell is in the Adam Smith-Hayek-Friedman tradition in so far as his interpretation of biological evolution is concerned. He integrates the political economy of capitalism with evolutionary principles derived from biology and psychology. It has been recognized for some time that there are similarities between the theories of capitalism and evolution. In both competing entities ideally the more efficient or fit survive and the least efficient are eliminated. In the capitalist system, the competing entities are individuals, families and firms. In the evolutionary system the competing entities are genes, individuals and groups. In neither system is progress planned. It emerges spontaneously from competition in conditions of maximum freedom.

These similarities are so fundamental that it is arguable that the political economy of capitalism is essentially a branch of the biological theory of evolution. But in spite of these similarities of capitalism and evolution there have been some curious vicissitudes over the course of the present century in the public acceptance of the two theories. In the first half of the century the intelligentsia in the West subscribed to socialism rather than capitalism. At the same time there was widespread acceptance of the desirability of promoting evolutionary progress at the biological level. To advance this objective Eugenics Societies were formed in the United States, Britain and other European countries. These societies advocated various means by which the biological fitness of the populations could be improved and most of the Western intelligentsia subscribed to these views.

After the Second World War, public acceptance of cultural and biological evolution has been largely reversed. In the world of political economy, belief in socialism and other forms of national planning has waned. There has been growing acceptance of the superiority of capitalism, not only in the West but even in the Soviet Union, Eastern Europe and China. It is probably not going too far to say that pure socialism as a credible social and political system is now dead. Active political debate today is not so much between the rival systems of socialism and capitalism. Rather, there is a general consensus

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that free enterprise, the basis on which capitalism rests, is a vital component of any workable system, and debate is concentrated on problems of how capitalist institutions can be strengthened and extended into difficult areas such as the provision of health and education and even into natural monopolies such as the electricity, water supply and telecommunication industries.

But while the theory of capitalism has triumphed in our approach to public institutions, acceptance of programmes to promote biological evolution has waned. In the United States the Eugenics Society has changed its name to the Society for Social Biology. In Britain the Eugenics Society still exists, but it has changed the name of its journal from the *Eugenics Review* to the *Journal of Biosocial Sciences* and it no longer publishes articles concerned with eugenics.

Cattell's *Beyondism* is an intellectual milestone in so far as it represents a restatement of the importance of evolutionary principles for human societies at the biological level. In other works, such as *Intelligence and National Achievement* (1983), he had sought to demonstrate that the fate of nations might be linked to the prevailing level of nationwide intelligence from generation to generation, and he earlier expressed the need to bring modern ethical thought into accord with biological, evolutionary realities (1981). In *Beyondism*, in his article "Ethics and the Social Sciences" Cattell now argues that biological competition is desirable between individuals and societies. It should be recognized that at both the individual and social level there are differences of biological quality. What is necessary is to establish conditions in which the reproduction of genetically better endowed individuals and societies is fostered at the expense of the inferior.

Cattell envisages two broad ways in which this can be accomplished. Firstly, a framework for competition can be provided. The competitive processes can then be left to themselves and ultimately the more efficient will increase and the less efficient will be eliminated.

Secondly, it is possible to design social institutions for our own societies which will promote biologically superior individuals. Cattell sees biological superiority as consisting of high intelligence and certain personality qualities which have a genetic basis, among which the most important are a strong super-ego or moral sense and a strong ego or self discipline.

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Cattell's viewpoint here is essentially a revival of the eugenics position of the early part of the century. The eugenicists always had certain difficulties in formulating practical policies to promote greater reproduction rates among the biologically superior. Cattell has encountered the same problems. His principal prescription lies in the provision of financial incentives. He argues that biological superiority can be broadly equated with social and economic success, and therefore that incentives for the socially and economically successful to produce more children would promote eugenic goals. These incentives could be provided by tax cuts for high earners. To achieve this he proposes the abolition of progressive taxation on income and its replacement by a flat rate tax above a certain minimum level. At the same time some mechanism needs to be provided to prevent the unemployed and low earners from using their voting power to impose redistributive taxation from the more successful to themselves. To secure this objective Cattell proposes the disfranchisement of the unemployed. The reasoning behind this robust proposal is that just as there should be no taxation without representation, so too it is unreasonable for the unemployed to expect to have representation without taxation.

Cattell's new book is the first major statement of eugenicist principles for half a century. During this period these ideas have been largely eclipsed. Nevertheless, in political economy the formerly unfashionable idea of competition and the weeding out of the unsuccessful have now become the prevailing viewpoint. Cattell's book may herald a revival of these ideas at the biological level.

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EDUCATION IN THE UNITED STATES AND JAPAN: CULTURAL CONSIDERATIONS AFFECT ADAPTIVE CHANGE

By Diane D. Pikcunas

The development and growth of a nation's educational system is closely ties to its culture, values and perceptions of the world. The more one studies an educational system, the clearer this conclusion becomes: a system of another nation cannot be uprooted and transplanted on another soil and be expected to create the same type of educational product (i.e., student performance, civic responsibilities) as in the home area. While borrowing can be helpful and useful, a careful analysis should be made of what can be effectively transplanted and what cannot.

This issue has surfaced most recently in the nations examining their educational system with the prospect of reform, notably the United States and Japan.

Concerns over Educational Performance

Impetus for reform in the United States received a major boost with the issuance of a report in 1983 by the Presidentially-sponsored National Commission on Excellence in Education "A Nation at Risk," which identified certain weaknesses in the American educational system. These weaknesses included diluted course requirements required for graduation from high school to poor college preparation, grade inflation, minimal requirements in core areas such as science and foreign languages, and poor performance of the U.S. students in international competition with students in such areas as mathematics. The National Commission identified a "rising tide of mediocrity" in U.S. schools and concluded that the U.S. in effect had been "committing an act of unthinking, unilateral educational disarmament."(1)

The American people are a pragmatic group and demanded action. A wave of reform efforts began at the State and local level, the source of ninety percent of educational funding and the locus of authority for the decentralized U.S. system. President Ronald Reagan initiated a number of speeches on education, visits to schools, and announcements highlighting out-

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standing programs. The U.S. Congress increased funding for education and a series of new measures were debated, though no new legislative initiatives were enacted. Associations such as the National Governors' Association mobilized their members to examine the conditions of education in their respective states and initiated cooperative efforts promoting reform in each of the states.

One other avenue of exploration may be termed the "quick-fix" or imported solution. This would include the examination of the educational system of another nation, preferably one doing better than the United States, and import its major features. One obvious choice was Japan, since it represents a close ally and a major competitor of the United States. In fact, the "Japanese spirit" seemed not only to imitate but excel the "American work ethic" in school performance.

Japan, on the other hand, also began an examination of its educational system, seeking to focus on its strengths and remedying its defects. The modern Japanese educational system had developed in the latter part of the nineteenth century as part of the reforming Meiji Restoration and as an aftermath of the Second World War, where the single-track system modeled after the U.S. came into use. The recent impetus to reform in the Japanese system comes from an Ad Hoc Council on Education Reform which was established in August of 1984 to advise the prime minister on the education issue. (2)

While each of these two nations undertook a separate and independent study of their own educational system, a different type of examination took place in a joint effort of both nations.

U.S.–Japan Study

The 1983 meeting between U.S. President Ronald Reagan and then Prime Minister of Japan Nakasone led to an agreement by each for a cooperative study of each country's educational system. The umbrella organization which handled the sponsorship of this cooperative effort was the United States-Japan Conference on Cultural and Educational Exchange (CULCON), a loose-knit group of government and private sector leaders who have worked to promote cooperative efforts in such fields as culture and education.

The education systems in both countries are different and therefore a parallel structure had to be devised to assist in the

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ongoing operation and for any necessary cooperation. The Japanese system is very centralized and the Japanese Ministry of Education, Science, and Culture assumed the responsibility for carrying out the Japanese study of the U.S. educational system. In the U.S., a decentralized system, the U.S. Education Department established a special study group undertaking a focus on Japan. An independent federal agency, the Japan-U.S. Friendship Commission, provided financial assistance for commissioned papers. Experts were identified, broad topics devised, and travel arranged to facilitate the study.

It is beneficial to note that each side did not intend a broad and comprehensive view of the entire educational system. Such an undertaking would have been too long on the development and implementation and voluminous in the final report. Each side had the freedom to devise its own agenda and fashion its own approach to the study with the intention being a focus on certain selected topics. The studies began in late 1984 and came to completion about two years later. (3)

The Attraction of Japan

Why the attraction of Japan for a model for U.S. educational reforms? Certainly the relationship of the two countries has been unique historically. Japan has had a centuries old cultural tradition and national unity. The United States had left its infanthood as a nation when it first came in contact with Japan in the middle of the nineteenth century. One U.S. President, Theodore Roosevelt (1901-1909) became enamoured of the Japanese and their accomplishments but it was another U.S. President, Franklin D. Roosevelt, who declared war on Japan for its attack on the U.S. base at Pearl Harbor, less than a century after that first friendly contact. The U.S. became the chief power responsible for the defeat of Japan in the Second World War, occupied the country, restructured its institutions, and assisted its growth toward not only an economic power in Asia but as a major world economic power.

A strong bond has united these two nations – strong competition and yet a mutual admiration as well. Economist Hobart Rowen has noted that it may seem strange to the rest of the world that former enemies such as the U.S. and Japan who are "separated by the vast Pacific Ocean, clashing cultural instincts, a different language barrier and serious economic tensions,"

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have been able to forge such close ties. (He attributes these ties to an integral and coupled economy – economic, financial, and military linkeages.)(4) The Assistant Director for Development at the Woodrow Wilson International Center for Scholars in Washington, D.C. and an expert on Asia, Dr. Ronald Morse, has put it more forcefully:

> Japan is arguably the most significant country in the world for the United States. If any country surpasses the United States as the world's leading economic power, it will be Japan, not the Soviet Union. How Japan would use a position of such strength would, in turn, determine whether the United States faced the 21st century with confidence or apprehension.(5)

This fascination with Japan has led to great interest among Americans. A large number of books have been devoted to studying Japan and seeking an application of Japan's techniques to the U.S., notably American business management.(6) Other books, also numerous, have concentrated on success stories on the American scene seeking to encourage replication of these lessons from successful companies or useful techniques which have brought positive economic results.(7)

The Educational Challenge

We can ease the reader's burden by avoiding a detailed description of the two educational systems. Suffice it to say, that the Japanese following the Second World War adopted a system similar to the American model – six years at elementary, three at junior high, three at senior high, and four at a university. Education in Japan begins when a child reaches the age of six with preschool or kindergarten training. Compulsory education did increase from six to nine years. This system replaced the one from the previous century in Japan characterized by a two-track system – popular education and elite education. Equality of opportunity became the goal of the new Japanese system as it was of the American system.(8) However, the results produced by the Japanese have impressed Americans and other nations. Notably, the Japanese score at the top of international mathematics tests and have an illiteracy rate of 0.7 percent, compared to about 20 percent in the United States.(9)

What is the secret for the Japanese success? Researchers

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while in general agreement on the main features differ in the emphasis they give to certain features. However, the responsible feature, as has been made clear from many studies, is more than the fact that the Japanese children attend school more days than American students, take more challenging courses prescribed from a rigorous national curriculum, study more hours, and participate in afterschool study programs (i.e. juku). As the conclusions in *Japanese Education Today* made clear, the cultural factor plays a large role.

The key to the Japanese educational system is the intense early involvement of the parents, particularly the mother who has a set and defined role as the responsible individual for early education. This is unmistakedly a factor deeply imbedded in the Japanese culture. Unlike American mothers who will spend time enjoying playing with their children and supervising their physical safety in playground activity, the Japanese mother spends time reading to and nurturing the child and uses the playground activities as an opportunity for learning activities (i.e., counting stones).(10)

The key to the educational system reflects the key to the culture: emphasis on the family structure and cultural values, the latter largely influenced by Confucian and Buddhist traditions.

The Japanese family is patriarchial with well defined roles and, as already mentioned, with the mother bearing the major responsibility for early education. Control is exercised with minimal verbal and overt actions. The family structure is built to avoid and inhibit conflict. The culture emphasizes obedience, dependence on family, a formal approach to interpersonal relations, and a restraint in the expression of emotions.(11) The child is brought up in a structured atmosphere heavily influenced by the culture. As anthropologist Ruth Benedict stated correctly in *The Chrysanthemum and the Sword*, Americans "rely on increasing his (the child's) freedom of choice" during the earlier years of child rearing, while "the Japanese rely on maximizing the restraints" upon the child.(12) The national curriculum in Japan starts early with the parent guiding the development of the child as a whole person, a conformist position in a conforming society. The more rigid structure emphasizing the development of the individual, physical, and mental capabilities in what is termed "cooperative education."(13)

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We find a major difference in the U.S. system. The Japanese build a whole web of relations which are part of the culture, a sharp contrast to the sense of freedom from social obligation basic to what we consider a major goal in the American system, a free-thinking individual. In addition, we need to consider whether the attractiveness of the accomplishments of the Japanese system might blind us to some of the least desirable features, notably learning by rote memorization, lack of creativity and spontaneity, the great pressure in school towards national examinations for university entrance and the tensions and pressures placed on the individual student and his or her family, which may affect the student negatively for a lifetime.(14)

On the surface, the Japanese educational system looks very attractive to Americans enthusiastic for reform in their own system and other nations seeking to emulate the success of the Japanese.

Examining the diligence, perseverance, and hard-work of the Japanese, Americans may conclude that the Japanese system is mere reflection of their own "Puritan work ethic." There is more to it than that surface conclusion. The Japanese, in a sense, may be doing a better job of realizing the more traditional American values. However, the cultural milieu of the Japanese fit their students into a more rigid system, educationally and socially. There is a wide consensus on values and the road toward realizing those values, much different than the more individualistic American society. Japan's history and culture has much to do with its educational success. And even if the U.S. could package and ship the Japanese educational system to the U.S., there would not be much that would be acceptable or adaptable to the U.S. system, and certainly not with the similar successful outcomes as produced by Japan.

Significance of the Educational Comparisons

The United States and Japan have much to learn from each other but there may be little of relevance in the field of education because of the underlying values and differing cultures of each country.

While general conclusions can be discussed, anecdotal stories tell much of the differences in the two societies and their approach to education. Allow me to illustrate it by the exam-

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ples from the two societies including a classroom situation, in the definition of what seems common terms, in a comparative travel situation, and in the broader policy question of "human rights." Each should illustrate the difference between an "individualistic" (U.S.) versus "collective" mentality (Japan) which spills over into education.

In the U.S. schools a class in art would put the emphasis on spontaneity while in Japan the stress would be on the imitation of the master. The American art teacher may use a model (i.e., still life) but would encourage the U.S. student to give different interpretations in producing his or her own work. The Japanese art teacher would discourage the student from any creativity and spontaneity; the emphasis would be on imitating or recreating the model as close as possible with no variation. The American student would be praised for what he or she produced while the Japanese student would receive praise only for how close he or she came to the ideal. Imitation, not spontaneity or creativity, is the prized quality whether in art or other academic subjects in the Japanese system, a reflection of the culture.

Even the definition of a word may have a buil-in cultural message providing a diverse meaning for the same term. The Ad Hoc Council on Educational Reform included recommendations to deal with internationalization and the information age. The report also called for ways to nurture "individual dignity, respect for individuality, freedom, autonomy, self-responsibility, and human values."(15) Both Americans and Japanese use the term "individuality" or "creativity" in reference to their educational system, Americans would define individuality as allowing the child to exercise an independent and nonconformist judgment, i.e., the child may choose to do mathematics rather than physical education. On the other hand, the Japanese see "individuality" differently as allowing the child's interest in mathematics as a means to help him or her become well-rounded in all aspects of the curriculum including physical education. The Japanese thus see "individuality" as a means to make the child uniform or encourage uniformity while Americans see individuality as a means to encourage difference and independence.

The 'group' versus 'individual' approach can be ascertained in often told stories of young Japanese and American students traveling in each other's respective countries. The American

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student traveling in Japan would return after a few months of having lived off the land expending few yen and returning with a host of friends he or she met along the way. The Japanese student visiting the U.S. would have traveled by conventional means, spending money on formal accommodations, and having come into contact with only a very few individual Americans he or she met on the way. The American student would most likely travel alone; the Japanese student traveling alone would be the exception and would have been more likely to have travelled with Japanese friends.

Another distinction in the culture can be found in the interpretation of a global concept such as "human rights." The Americans, having just celebrated the bicentennial of the U.S. Constitution with its well-known first ten amendments called the "Bill of Rights," interpret the rights as based on the individual's claim for protection against the demands of government, an adversarial model. The Japanese are much more in tune with the consensual model which holds that individual interests are best taken care of when national interests are fulfilled. For example, the word "justice" in the U.S. (or Western) model emphasizes first and foremost respect for the rights of the individual while the word for justice in Japanese, seigi, means more specifically yielding the private to the public.(16) And thus we find, in the words of New York University Professor James C. Hsiung that "while the idea of human rights is universally accepted, the exact meaning of these rights is culture-specific."(17)

The Japanese value system embedded in its culture plays a large role in the operation and functioning of its educational system. The type of curriculum, authority for teachers, and preeminence of education as part of the whole culture differs significantly from what has been the tradition, and accepted practice, in the United States. While certain curriculum reforms (i.e., additional courses in such areas as mathematics and science based on the Japanese curriculum) may be adopted in the U.S., these are more a matter of degree than substance of the system. The other aspects would bring too great a change to the American system while not necessarily producing the favorable results which the Japanese have experienced. If American educators continue their efforts for reform, they need to adopt changes to improve American education more

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in accord with the U.S. cultural tradition, rather than of the Japanese.

Despite the praise for many of the aspects of the Japanese educational system, the report *Japanese Education Today* notes:

> Japanese history and cultural values permeate Japanese education. The heritage is reflected in the national consensus on the importance of education, its role in character development, and the willingness of both parents and children to sustain effort and sacrifice year after year to achieve success in school. It helps form the invisible foundation of the contemporary education system. (18)

FOOTNOTES

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(10) See the informative Merry White's The Japanese Educational Challenge: A Commitment to Children, New York: Free Press, 1987. The author started her

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interest in Japan over twenty-five years ago while doing an educational thesis at Harvard University. This work relies heavily on case studies and anecdotes and supports the conclusions of the more factual report by the U.S. Education Department Japanese Education Today.

(11) See Diane D. Pikcunas, "Asians and American Education," The World and I (Janaury, 1987), pp. 487-497.

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BOOK REVIEWS

SECURITY WITHIN THE PACIFIC RIM

Edited by Douglas T. Stuart
Gower Publishing Company, Brookfield, Vermont

While the Pacific Rim is a region with tremendous potential for economic growth, it is also a region with many open issues which if handled inappropriately could have a negative effect on world peace. In this collection of essays, experts from the region, from the U.S. and Europe analyse recent developments relating to Asian security and offer predictions about the prospects for tension as well as for cooperation in the region over the next few years.

The focus of the discussion is on three major areas of uncertainty: the future roles and potentials of the Soviet Union, China and Korea. The balance of arguments suggest that it will become more difficult to deal with the Soviet Union in the next few years because of the Soviets' continued focus on military strength. Concerning the continuation of the present Chinese move towards economic and political reform the consensus is one of cautious optimism. However, more uncertainty is voiced about the prospects for internal reform in North Korea.

NUCLEAR POWER TRANSFORMATION

Joseph P. Tomain
Indiana University Press, Bloomington and Indianapolis

The 1979 accident at the Three Mile Island power plant marked a turning point, Joseph Tomain argues, in the United States's attitude toward nuclear power. Enthusiastic faith in the nuclear power option disintegrated as awareness of the dangers and costs of the critical TMI accident grew. *Nuclear Power Transformation* examines this transitional period in nuclear law and policy-making, focusing on the issue of costs.

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URBAN JAPANESE HOUSEWIVES:
At Home and in the Community
Anne E. Imamura
University of Hawaii Press, Honolulu, Hawaii

Kanai (person in the house) is the Japanese word for wife. It is also a word that reflects the Western image of Japan's married women. In this book, Anne E. Imamura, a personally experienced commentator on racial intermarriage, examines the image and the life of the urban Japanese housewife. She focuses on the housewife's activities outside the home and how these relate to her domestic role. Set in a Tokyo suburb *Urban Japanese Housewives* examines the specific problems that develop when Japanese women seek to participate more actively in extra-familial community events.

Based on the participant observations in a community center, in-depth interviews, and survey data, Imamura's study explores the type and extent of the modern Tokyo housewives' involvement outside the home, and analyzes the effect of the housing environment on community perception, comparing Japanese wives living in apartments, with those that live in their own homes, in condominiums, in company housing, and in public housing.

Although all the women interviewed define themselves as housewives, the majority did not see themselves as limited to their domestic role. Imamura argues that, in contrast to the single role model for the Japanese housewife of the past, the contemporary Japanese housewife has a variety of socially acceptable role models from which to choose. Based on her research, Imamura offers a five-fold typology that explains current role models and interprets the motivation behind the Japanese woman's participation outside the home.

This is the first serious study of the life-style of the contemporary Japanese urban housewife, and as such it merits a useful addition to the comparative literature on community, the functions of friendship, and the effects of housing on community perceptions.

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